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Ontario

ESTABLISHING A SINGLE FINANCIAL SERVICES REGULATOR:

Consultation Draft

April 2001

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A. INTRODUCTION

Establishing a Single Financial Services Regulator: ***Consultation Draft*** is being circulated to solicit comments and suggestions on these legislative proposals involving the merger between the Ontario Securities Commission and the Financial Services Commission. While the draft sets out specific proposals, it is intended as a document for both the public and the government to work from and improve upon.

In dealing with new legislation of significance to a specific industry and to the public at large, it is important to take the opportunity to hear the views of those who would be affected by it. It is for this reason that the consultation draft is being made available for scrutiny and response.

Interested parties are invited to make written submissions by June 29, 2001 to:

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Toronto, Ontario
M7A 1Y7

Please note, all submissions received are subject to the access and privacy provisions of the Freedom of Information and Protection of Privacy Act. If for any reason you feel that your comments should not be shared with other parties, please indicate this in your covering letter.

Additional copies of the consultation draft may be obtained from the Ontario Government Bookstore, 880 Bay Street, Toronto, Ontario, M7A 1N8. As well, the Consultation Draft is available on the Ministry of Finance website at www.gov.on.ca/FIN

B. DISCUSSION

1. Background and Consultation to Date

The 2000 Ontario Budget announced the merger of the Ontario Securities Commission (OSC) and the Financial Services Commission of Ontario (FSCO) into a single financial services regulator. That announcement reflects the government's direction to create an effective one-window regulatory process to improve consumer protection and to better serve the financial services sector and its clients.

A discussion paper, *Improving Ontario's Financial Services Regulation: Establishing a Single Financial Services Regulator*, was released for public comment in September, 2000. That paper provides the government's rationale for merging the OSC and FSCO. Many written submissions were received from consumers, investors, pension plan members, and industry participants in the financial services sector. As well, oral submissions were made by those who requested to do so, to David Young, formerly Parliamentary Assistant to the Minister of Finance.

While the majority of stakeholders endorsed the plan to merge the OSC and FSCO, many expressed a desire to see further details. The release of the Consultation Draft will allow those affected to scrutinize the draft legislation and to provide their comments and suggestions.

2. Summary of Proposals

Establishment and Amalgamation

The consultation draft would establish a new corporation to be known as the Ontario Financial Services Commission. Its purpose would be to plan and supervise the establishment of a single regulatory authority that would be responsible for the regulation of financial services in Ontario. The consultation draft also provides for the subsequent merger of this new corporation with FSCO and the OSC to form a single Commission that would keep the name of the newly established corporation.

Functions after Amalgamation

The new Commission would provide regulatory services with a view to protecting the public interest, protecting consumers of financial services and products, enhancing public confidence in the regulated sectors, and fostering a fair, efficient, and effective financial services marketplace.

The new Commission would provide co-ordinated regulation of:

- All market participants, as defined in the Securities Act including self-regulatory organizations such as the Toronto Stock Exchange and the Investment Dealers Association of Canada;
- All market participants, as defined in the Commodity Futures Act;
- All co-operative corporations to which the Co-operative Corporations Act applies;
- All credit unions, caisses populaires, and leagues to which the Credit Unions and Caisses Populaires Act, 1994 applies;
- All persons engaged in the business of insurance and governed by the Insurance Act;
- All persons carrying on the business of a loan corporation or a trust corporation and governed by the Loan and Trust Corporations Act;
- All persons carrying on business as mortgage brokers and governed by the Mortgage Brokers Act;
- All persons who establish or administer a pension plan or pension fund, as defined in the Pensions Benefits Act, and all employers or persons acting on their behalf who are required to contribute to any such pension plan or fund;
- All associations registered under the Prepaid Hospital and Medical Services Act.

It would also have responsibilities under the Marine Insurance Act, the Motor Vehicle Accident Claims Act, and the Registered Insurance Brokers Act.

Members, Personnel and Duties

The consultation draft provides for the appointment of members of the Commission by the Lieutenant Governor in Council for a term not exceeding five years. The merged Commission would be governed by a board of up to 18 directors, and would include a Chair and up to three Vice-Chairs.

The Commission could assign its duties and powers, except for hearings. Duties could be assigned to members of the Commission, Superintendents, or to directors subject to terms and conditions.

The powers and duties of the Superintendent of Financial Services under the statutes currently administered by FSCO would be transferred to the new Commission. There would be a Superintendent of Pensions and a Superintendent of Insurance to carry out the regulatory duties for those sectors. There would be opportunities for hearings of Superintendent of Insurance actions before the Commission. The hearings under the Pension Benefits Act would be before a separately constituted Pension Tribunal. There would be the right to appeal the Commission's and Tribunal's decisions to the courts.

Financial Powers

The Commission's income would not form part of the Province of Ontario's Consolidated Revenue Fund. However, the Commission would have to pay any money it received to settle any enforcement proceedings into the Consolidated Revenue Fund, apart from money received by the Commission to reimburse it for costs or money that was designated for the benefit of third parties. The consultation draft sets out the Commission's proposed powers with respect to borrowing money and giving security.

The Commission could make rules respecting fees and assessments, including the amount or method of determining an assessment, the period to which an assessment is to relate, the persons to whom an assessment is to apply, the basis on which an assessment is to be allocated among those persons, and any other terms of an assessment.

No assessments would be payable by persons who are not subject to the statute under which the expenditures are assessed. In this way, there would be no cross-subsidization among regulated sectors.

Self-Regulatory Organizations

The Commission could recognize self-regulatory organizations if it was satisfied that this would be in the public interest. It could assign to self-regulatory organizations one or more of the duties and powers of the Commission, a Superintendent, or a Director, with respect to licensing, registration, or certification of persons included in a regulated sector. As well, requirements are set out respecting the appointment and duties of auditors of recognized self-regulatory organizations and their members.

Rule-making

The consultation draft provides for the making of rules and the adoption of policies. In both cases, public notice and comment would be required. A limited number of exceptions to the notice and comment requirement would be provided. The Minister of Finance would be given an opportunity to approve or reject a proposed rule or to return it to the Commission for further consideration. A rule would come into force only if the Minister approves it, or does not reject or return it within 90 days after the rule is delivered to the Minister.

The rule-making process is already provided for under the current Securities Act and Commodity Futures Act and no change is proposed to the subjects on which rules may be made under these Acts. However, the time period for actions by the Minister regarding a proposed rule would increase from 60 to 90 days. This increase would be necessary as a result of the expansion of rule-making to FSCO Acts, which could significantly broaden the subject matter and increase the number of rules that could be submitted to the Minister. Rule-making authority would be introduced for Acts currently administered by FSCO. This would give the new regulator greater ability to level the playing field and harmonize regulation across the financial services sectors where appropriate. As a general approach, any matter that is currently the subject of regulation-making powers would also be subject to rule-making. However, some important exceptions have been made. For example, the government would retain sole responsibility for making regulations, with no rule-making authority, over pension matters that deal with individual rights and entitlements and the statutory accident benefits delivered under automobile insurance policies. As well, the new Commission would not be able to make rules governing the Deposit Insurance Corporation of Ontario, an agency established under the Credit Unions and Caisses Populaires Act. If there were a conflict or an inconsistency between a rule and a regulation, the regulation prevails.

Investigations

The Commission or the Minister could commence investigations of matters relating to the administration or enforcement of Ontario financial services law, as well as matters dealing with the regulation of activities outside Ontario, that would be within the jurisdiction of the Commission if they occurred in Ontario.

An investigator could examine the affairs of any person including:

- any transactions, financial records, or other documents;
- any property or assets;
- any liabilities, debts, or undertakings;
- any relationship between the person under investigation and any other person.

The investigation powers contained in the consultation draft would be in addition to the compliance powers of the Commission under the statutes, regulations, and rules to be administered by the merged Commission.

Accountability and General

The consultation draft would require the Commission and the Minister of Finance to sign a memorandum of understanding within one year of the merger and every five years after that, setting out the roles and responsibilities of each party and their accountability relationship.

Annually the Commission would have to provide the Minister with its audited financial statements, together with a report on its affairs in the preceding fiscal year. The Minister would then be required to table these reports in the Legislature. As well, the Commission would have to publish a statement of priorities and anticipated expenditures for the next fiscal year. The Minister could designate a person to examine any financial or accounting procedures, activities, or practices of the Commission.

The Minister of Finance would have to appoint an advisory committee within three years of the merger and within each subsequent five-year period, to review the legislation under which the Commission operates.

The Commission would have to provide to the Minister and publish every agreement, memorandum of understanding, or arrangement that the Commission enters into.

The Minister would have 90 days to review agreements between the Commission and another securities or financial regulatory authority, any self-regulatory body or organization, or any jurisdiction. If the Minister neither approved nor rejected the memorandum, then it would come into effect on the last day of the 90-day period.

3. Consequential Amendments

The consultation draft provides for consequential amendments to the Acts currently administered by the OSC and FSCO. Many of these amendments are largely technical in nature and are necessary to provide consistency between the statute that would establish the new Commission and the individual statutes related to it. As well, these amendments set out in detail the matters over which the Commission could make rules and provide for the establishment of the Pension Tribunal. No rule-making is proposed under the Loan and Trust Corporations Act at this time, as proposed amendments arising from the July 1, 2001 sunset review of the legislation are being developed separately.

Commodity Futures Act

The provisions setting out the process for recognizing self-regulatory organizations are being repealed as these would now be dealt with by the new Commission. However, provisions dealing with the registration of commodity futures exchanges would remain in the Commodity Futures Act.

Compulsory Automobile Insurance Act

A Superintendent of Insurance (an employee appointed by the Commission) would perform most of the functions currently performed by the Superintendent of Financial Services as they relate to the Facility Association. The Commission would examine the affairs of the Association and report its findings to the Minister. The Commission would be given powers to make rules amending the Association's articles of association, by-laws, rules, and resolutions.

The government would retain sole authority to make regulations on other matters, for example, exempting old-order Mennonites from the Act.

Co-operative Corporations Act

The Minister would maintain a role with respect to the incorporation and amalgamation of co-operatives. The Minister could delegate his or her powers to a Ministry employee or agent or to the Commission. The Commission would perform the functions currently performed by the Superintendent of Financial Services, and it would have some new duties in the area of corporate governance, such as the approval of the corporate name of a co-operative and the issuance of certificates of amendment or restatement.

The Commission would have rule-making authority with respect to certain matters that are currently the subject of regulations. These matters would include rules governing offering statements, loans, shares, interest rates, and dividends, as well as the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording, or service of documents or information.

Areas remain where there would be authority to make regulations with no concurrent rule-making power for the Commission. For example, regulations but not rules could be made with respect to articles of incorporation and worker co-operatives.

Credit Unions and Caisses Populaires Act, 1994

The Minister would maintain a role with respect to the incorporation and amalgamation of credit unions and caisses populaires. The Minister could delegate his or her powers to a Ministry employee or agent or to the Commission. The Commission would perform the functions currently performed by the Superintendent of Financial Services. Where there is a provision for a hearing, the hearing would be before the Commission (which could not assign its hearing duties). The Commission would examine the affairs of the Deposit Insurance Corporation of Ontario and report its findings to the Minister.

The Commission would have rule-making authority with respect to certain matters that are currently the subject of regulations. For example, the Commission would be able to make rules governing: the duties of the board of directors; the establishment of training programs; offering statements, loans, and shares; capital adequacy; disclosure of cost of borrowing; and the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording, or service of documents or information.

On the other hand, some matters would only be subject to regulation-making authority in the Act with no concurrent rule-making for the Commission.

For example, regulations but not rules could be made with respect to matters affecting the Deposit Insurance Corporation of Ontario.

Financial Services Commission of Ontario Act

This Act would be repealed upon the amalgamation of the new Commission with the OSC and FSCO.

Insurance Act

A Superintendent of Insurance (an employee appointed by the Commission) would perform many of the functions currently performed by the Superintendent of Financial Services; for example, licensing of insurance companies, approval of automobile insurance policies, issuance of guidelines interpreting the Statutory Accident Benefits Schedule, and approval of automobile insurance rates. Where there is a right to appeal a Superintendent's decision or to a hearing on a notice of intention to take an action, the hearing would be before the Commission.

The advisory board hearing structure that currently deals with agent and adjuster issues would be replaced by a Superintendent's notice of proposal and a hearing before the Commission, with an opportunity to have representatives of the agent or adjuster and insurer hearing the matter along with the Commission member if the agent or adjuster so requests.

In addition to hearing matters that come before it as an appeal from a Superintendent's decision or as a Superintendent proposal or intention to take action, the Commission would have rule-making authority with respect to certain matters that are currently the subject of regulation. The Commission could make rules, for example: prescribing standards of practice and duties of agents and adjusters; governing segregated funds and variable insurance contracts; on disclosure of cost of borrowing; regarding the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording, or service of documents or information.

Areas remain where there would be authority to make regulations with no concurrent rule-making power for the Commission. For example, regulations but not rules could be made with respect to access to tort (threshold issues) and no-fault benefits, as well as provisions governing the inspection of automobiles, determining the degree of fault where loss or damage to automobiles has occurred, and respecting the underwriting, classification, or rating of the automobile insurance product.

Mortgage Brokers Act

The Commission would perform the functions currently performed by the Superintendent of Financial Services. Where there is a provision for a hearing, the hearing would be before the Commission (which cannot assign its hearing duties).

The Commission would be given rule-making authority with respect to all matters under the Act where there is currently regulation-making authority. The Commission could make rules, for example, governing: the qualifications for the granting or renewal of registration of mortgage brokers; standards of practice for mortgage brokers; requirements for a prospectus; regarding the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording, or service of documents or information. Rules could also be made that would govern disclosure of cost of borrowing.

Motor Vehicle Accident Claims Act

The Minister would maintain a role in defending claims of uninsured persons and authorizing payments out of the Motor Vehicle Accident Claims Fund. The Minister could enter into an agreement with the Commission regulating the administration and enforcement of the Act by the Commission on behalf of the Minister. A Superintendent of Insurance (an employee appointed by the Commission) would approve forms under the Act, and would continue to be the named defendant where there is an unidentified driver. There would be no rule-making authority given to the Commission under this Act.

Pension Benefits Act

A Superintendent of Pensions (an employee appointed by the Commission) would make the regulatory decisions required by the Act. The Superintendent of Pensions would perform many of the functions currently performed by the Superintendent of Financial Services, for example: registering pension plans and amendments; approving forms, reports and asset transfers; ordering that insolvent plans be wound up; consenting to applications for a refund of contributions or payment of surplus to an employer; administering the Pension Benefits Guarantee Fund (PBGF); and authorizing payments to be made out of the PBGF.

Where there is a hearing on a notice of proposal, the hearing would be before the Pension Tribunal, which would be established under the Act. The Pension Tribunal would consist of up to 15 members and the members would be appointed by the government, three of whom would be members of the Commission. Decisions of the Pension Tribunal could be appealed to the court.

The Commission would have rule-making authority with respect to certain matters that are currently the subject of regulation. Matters over which the Commission could make rules include: specifying time periods and time limits; requiring reports to be submitted, and specifying the method of preparation, content, and persons by whom such reports must be prepared; specifying requirements with respect to the provision of investment options to members by pension plans that offer such options; specifying the rate of interest and method of calculating interest payable under the Act; regarding the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording, or service of documents or information; respecting procedures governing establishment of advisory committees and appointment of members to pension committees and advisory committees.

It is important to note that areas remain where there would be authority to make regulations with no concurrent rule-making power for the Commission. There would be no rule-making for areas of substantive public policy such as: prescribing pension benefits that are not guaranteed by the PBGF; assessments for the purposes of the PBGF and classes of person who shall pay such assessments; prescribing methods of calculating the values of assets and liabilities of pension funds; and prescribing criteria that must be complied with before any surplus may be paid out of a pension fund.

Prepaid Hospital and Medical Services Act

A Superintendent of Insurance (an employee appointed by the Commission) would perform the functions currently performed by the Superintendent of Financial Services as they relate to associations registered under the Act. Where there is a right to appeal the Superintendent's decision, the hearing would be before the Commission (which cannot assign its hearing duties). There would be no rule-making authority given to the Commission under this Act.

Registered Insurance Brokers Act

The Commission would perform the functions currently performed by the Superintendent of Financial Services, for example: the Commission would have the "deemed interest" in the Registered Insurance Brokers Corporation and would examine the affairs of the Corporation and report its findings to the Minister. There would be no rule-making authority given to the Commission under this Act.

Securities Act

The consultation draft sets out the structure and powers of the new Commission. Consequently, the general provisions dealing with the structure of the Ontario Securities Commission and its powers would be repealed in the Securities Act. The repealed provisions include those setting out the composition and mandate of the Securities Commission, investigation powers, and accountability. Similarly, provisions dealing with the process for recognizing self-regulatory organizations would be repealed as the new Commission would have these powers, except for the recognition of stock exchanges, which would remain in the Securities Act.

The process for making rules and for the adoption of policies by the Ontario Securities Commission would be repealed as these powers would now be provided to the new Commission. The heads of authority with respect to which the new Commission may make rules would continue to be as set out in the Securities Act and no changes are proposed in this regard.

4. Conclusion

The financial services landscape in Canada has shifted over recent years. The pace of change is expected to continue and intensify, reflecting the needs of both consumers and business, customer demand for new products and services, and the advent of new information-based, electronic technologies, as well as global competition from specialized financial institutions and capital markets. The Consultation Draft encompasses these changes. It also emphasizes the importance of having an effective financial regulator which promotes a healthy environment for business activity, financial market integrity, and consumer, investor, and pension plan member confidence and protection.

C. Consultation Draft to amalgamate the Ontario Securities Commission and the Financial Services Commission of Ontario

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PART I
INTERPRETATION

Interpretation

1. (1) In this Act,

"Chair" means the Chair and Chief Executive Officer of the Commission; ("président")

"Commission" means, before the amalgamation under section 3, the corporation established by section 2 and, after the amalgamation under section 3, the corporation resulting from the amalgamation; ("Commission")

"Crown" means Her Majesty in right of the Province of Ontario; ("Couronne")

"decision", in relation to the Commission, the Pension Tribunal, a Superintendent or a Director, means a decision, a direction, an order, a ruling or a requirement made or issued by the Commission, the Pension Tribunal, a Superintendent or a Director, as the case may be, under a power or duty that is conferred by this Act or the related legislation or that is assigned by the Commission under section 21; ("décision")

"Director" means an individual employed by the Commission in the position of a Director or in a position designated by the Commission from time to time for the purposes of this definition; ("directeur")

"director" means an individual acting as a director of a corporation or an individual acting in a similar capacity on behalf of any other person; ("administrateur")

"FSCO" means the Financial Services Commission of Ontario established under the *Financial Services Commission of Ontario Act, 1997*; ("CSFO")

"Minister" means the Minister of Finance or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*; ("ministre")

"officer" means an individual designated as an officer of a corporation by by-law or similar authority or an individual acting in a similar capacity on behalf of any other person; ("dirigeant")

"Ontario financial services law" means,

(a) this Act and the regulations and rules made under this Act,

(b) the provisions of the *Business Corporations Act* and the *Corporations Act* conferring powers or imposing duties on the Commission or any of its members or employees or conferring powers or imposing duties on any person in relation to the Commission or any of its members or employees,

(c) the regulations made under either of the Acts mentioned in clause (b) relating to any of the provisions mentioned in clause (b),

(d) the other Acts forming part of the related legislation and the regulations and rules made under those Acts, and

(e) in relation to a person, a decision of the Commission, the Pension Tribunal, a Superintendent or a Director to which the person is subject; ("droit ontarien des services financiers")

"OSC" means the Ontario Securities Commission continued under the *Securities Act*; ("CVMO")

"person" means an individual, a partnership, a corporation, an incorporated or unincorporated association, an incorporated or unincorporated syndicate, any other incorporated or unincorporated organization, a trust, a trustee, an executor, an administrator or any other legal representative; ("personne")

"policy", in relation to the Commission, means a written statement by the Commission of,

(a) principles, standards, criteria or factors that relate to a decision or exercise of discretion, under this Act or the related legislation, by the Commission, a Superintendent or a Director,

(b) the manner in which a provision of this Act or the related legislation is interpreted or applied by the Commission, a Superintendent or a Director, or

(c) the practices generally followed by the Commission, a Superintendent or a Director in the performance of a duty or responsibility under this Act or the related legislation; ("politique")

"recognized self-regulatory organization" means a self-regulatory organization recognized by the Commission under section 30; ("organisme d'autoréglementation reconnu")

"regulated sector" means a sector that consists of,

(a) all market participants, as defined in the *Commodity Futures Act,*

(b) all co-operative corporations to which the *Co-operative Corporations Act* applies,

(c) all credit unions, caisses populaires and leagues to which the *Credit Unions and Caisses Populaires Act, 1994* applies,

(d) all persons engaged in the business of insurance and governed by the *Insurance Act,*

(e) all persons carrying on the business of a loan corporation or a trust corporation and governed by the *Loan and Trust Corporations Act,*

(f) all persons carrying on business as mortgage brokers and governed by the *Mortgage Brokers Act,*

(g) all persons who establish or administer a pension plan or pension fund, as defined in the *Pension Benefits Act*, and all employers or persons acting on their behalf who are required to contribute to any such pension plan or pension fund,

(h) all associations registered under the *Prepaid Hospital and Medical Services Act*, or

(i) all market participants, as defined in the *Securities Act*; ("secteur réglementé")

"related legislation" means,

(a) the Acts, other than this Act, conferring powers or imposing duties on the Commission or any of its members or employees,

(b) the regulations made under this Act or under any of the Acts included in clause (a), and

(c) the rules made by the Commission under this Act or under any of the Acts included in clause (a); ("législation connexe")

"sector participant" means a person included in a regulated sector; ("participant à un secteur") "self-regulatory organization" means a person that,

(a) represents some or all of the persons included in a regulated sector, and

(b) is organized for the purpose of regulating the operations, standards of practice and business conduct of its members and their representatives with a view to promoting and protecting the public interest; ("organisme d'autoréglementation")

"Superintendent" means the Superintendent of Insurance or the Superintendent of Pensions appointed under section 10; ("surintendant")

"Pension Tribunal" means the Pension Tribunal established under the *Pension Benefits Act*; ("Tribunal des pensions")

"Vice-Chair" means a Vice-Chair of the Commission. ("vice-président")

Rule

(2) In this Act, a reference to a rule proposed or made by the Commission includes a rule amending or revoking a rule previously made by the Commission.

Policy

(3) In this Act, a reference to a policy proposed or adopted by the Commission includes a policy changing or rescinding a policy previously adopted by the Commission.

PART II
ESTABLISHMENT AND SUBSEQUENT AMALGAMATION OF COMMISSION

Establishment of Commission

2. (1) There is hereby established a corporation without share capital to be known in English as the Ontario Financial Services Commission and in French as Commission ontarienne des services financiers.

Functions before amalgamation

(2) Upon the establishment of the Commission under subsection (1) and until the amalgamation under section 3, the functions of the Commission are to provide a framework for establishing, and to supervise the establishment of, a single regulatory authority that will be responsible for the regulation of financial services in Ontario and the carrying out of the functions performed by the OSC and the FSCO before the amalgamation.

Amalgamation

3. (1) The OSC, the FSCO and the Commission are amalgamated and continued as a corporation without share capital under the name Ontario Financial Services Commission in English and Commission ontarienne des services financiers in French.

Effect of amalgamation

(2) All rights, obligations, assets and liabilities of the OSC, the FSCO and the Commission immediately before the amalgamation are the rights, obligations, assets and liabilities of the Commission upon the amalgamation.

Functions after amalgamation

(3) The functions of the Commission after the amalgamation are,

(a) to administer and enforce Ontario financial services law;

(b) to perform the duties imposed and exercise the powers conferred on the Commission under this Act or the related legislation;

(c) to co-ordinate and harmonize the regulation of the regulated sectors;

(d) to provide regulatory services with a view to protecting the public interest, protecting consumers of financial services and products, enhancing public confidence in the regulated sectors and fostering a fair, efficient and effective financial services marketplace;

(e) to provide the resources necessary for the proper functioning of the Pension Tribunal;

(f) to make recommendations to the Minister on matters affecting the regulated sectors; and

(g) to supervise generally the regulated sectors.

Continuation of rules and policies

(4) A rule or policy that has been made or adopted by the OSC or the FSCO and that is in force or in effect immediately before the amalgamation under this section shall, upon the amalgamation, be deemed to be a rule or policy, as the case may be, made or adopted by the Commission.

PART III

MEMBERS, BOARD OF DIRECTORS AND OTHER PERSONNEL

Members before amalgamation

4. (1) This section applies before the amalgamation under section 3.

Same

(2) The Commission is composed of at least four and not more than six members.

Appointment

(3) The Lieutenant Governor in Council shall appoint the members of the Commission.

Term

(4) Each member holds office for the term specified by the Lieutenant Governor in Council in the appointment, which term shall not exceed five years.

Deficiency in number

(5) If there are fewer than four but at least two members in office at any time, the Commission shall be deemed to be properly constituted for a period not exceeding 90 days after the deficiency in the number of members first occurs.

Members after amalgamation

5. (1) This section applies after the amalgamation under section 3.

Same

(2) The Commission is composed of at least nine and not more than 18 members.

Appointment

(3) The Lieutenant Governor in Council shall appoint the members of the Commission.

Term

(4) Each member holds office for the term specified by the Lieutenant Governor in Council in the appointment, which term shall not exceed five years.

Re-appointment

(5) The Lieutenant Governor in Council may re-appoint a member; subsection (4) applies with necessary modifications to the re-appointment.

Transition

(6) The chair of the FSCO, each vice-chair of the FSCO, the chief executive officer of the FSCO and each member of the OSC, holding office immediately before the amalgamation under section 3, shall be members of the Commission on and after the amalgamation, until the day the Lieutenant Governor in Council terminates the individual's membership conferred by this subsection.

Experience and expertise

(7) In appointing members to the Commission, the Lieutenant Governor in Council shall, to the extent practicable and with regard to the public interest, make appointments with a view to ensuring that among the members of the Commission there is experience and expertise in the regulated sectors.

Deficiency in number

(8) If there are fewer than nine but at least two members in office at any time, the Commission shall be deemed to be properly constituted for a period not exceeding 90 days after the deficiency in the number of members first occurs.

Performance of duties

6. Subject to subsection 9 (3), the members of the Commission shall devote such time as may be necessary for the due performance of their duties as members.

Board of directors

7. (1) The Commission shall have a board of directors composed of the members of the Commission.

Duties of board

(2) The board of directors shall oversee the management of the financial and other affairs of the Commission.

Place of meetings

(3) Subject to the by-laws of the Commission, the board of directors may meet at any place in Canada.

Presiding officer

(4) The following individual shall preside over meetings of the board of directors:

1. The Chair.

2. In the absence of the Chair, a Vice-Chair.

3. In the absence of the Chair and Vice-Chairs, a member in attendance at the meeting who is appointed by the members in attendance at the meeting to preside over the meeting.

Quorum

8. Subject to sections 21 and 63, two members of the Commission constitute a quorum at meetings of the board of directors and for all other purposes.

Chair and Vice-Chairs

9. (1) The Lieutenant Governor in Council shall designate one member of the Commission as Chair and may designate up to three members of the Commission as Vice-Chairs.

Term

(2) The Chair and each Vice-Chair holds office for the term specified by the Lieutenant Governor in Council in the appointment, which term shall not exceed his or her term as a member of the Commission.

Role of Chair

(3) The Chair is the Chief Executive Officer of the Commission and shall devote his or her full time to the work of the Commission.

Restrictions

(4) The Chair and Vice-Chairs shall not hold any other office in the Commission or be employed by it in any capacity.

Acting Chair

(5) If the office of Chair is vacant or if the Chair is absent or unable to act for any reason, a Vice-Chair shall act as Chair.

Exception, period before amalgamation

(6) Despite subsection (3) and subsection 3 (7) of the *Securities Act*, the Chair of the Commission may, before the amalgamation under section 3, also be the Chair of the OSC.

Transition re Chair

(7) The Chair of the OSC holding office immediately before the establishment of the Commission under section 2 shall be the Chair of the Commission on and after its establishment, until the day the Lieutenant Governor in Council terminates the individual's appointment effected by this subsection, regardless of whether the termination occurs before or after the amalgamation under section 3.

Superintendents

10. (1) After the amalgamation under section 3, the Commission shall appoint an individual as Superintendent of Insurance and shall appoint an individual as Superintendent of Pensions, and may appoint the same individual to both positions.

Acting Superintendent

(2) If the office of a Superintendent is vacant or if a Superintendent is absent or unable to act for any reason, the Chair may appoint another individual to act as that Superintendent.

Restriction

(3) Neither Superintendent shall be a member of the Commission, but both Superintendents shall be employees of the Commission.

Duties and powers

(4) A Superintendent shall perform the duties imposed and may exercise the powers conferred on him or her under the related legislation.

Secretary

11. (1) The Commission shall appoint an individual as Secretary of the Commission.

Duties and powers

(2) The Secretary,

(a) may accept service of notices and other documents on behalf of the Commission and the Pension Tribunal;

(b) when authorized by the Commission, may sign a decision of the Commission, and when authorized by the Pension Tribunal, may sign a decision of the Pension Tribunal; and

(c) shall perform the duties imposed and may exercise the powers conferred on the Secretary by the related legislation, the by-laws made under this Act or the Commission.

Acting Secretary

(3) If the office of the Secretary is vacant or if the Secretary is absent or unable to act for any reason, the Chair may appoint another individual to act as Secretary.

Chief Operating Officer

12. (1) Before the amalgamation under section 3, the Commission may appoint an individual as Chief Operating Officer of the Commission.

Same

(2) After the amalgamation under section 3, the Commission shall appoint an individual as Chief Operating Officer of the Commission.

Acting Chief Operating Officer

(3) If the office of the Chief Operating Officer is vacant or if the Chief Operating Officer is absent or unable to act for any reason, the Chair may appoint another individual to act as Chief Operating Officer.

Other officers

13. The Commission may appoint such other officers as it considers necessary.

Employees

14. (1) The Commission may employ such individuals as it considers necessary to enable it to perform effectively its duties and exercise effectively its powers under this Act or the related legislation.

Status of members

(2) The members of the Commission are not employees of the Commission.

Duties and powers of Directors

15. (1) If this Act or the related legislation imposes a duty or confers a power on a Director, the duty may be performed and the power may be exercised by any Director, unless the Commission designates a specific Director or specific Directors for the purposes of a particular duty or power, in which case the duty shall be performed and the power may be exercised only by the Director or any of the Directors so designated.

Revocation of designation

(2) The Commission may revoke in whole or in part a designation made under subsection (1).

Non-application of *Public Service Act* and Pension Plan

16. (1) The *Public Service Act* and the Public Service Pension Plan established under the *Public Service Pension Act* do not apply to the members or employees of the Commission, subject to subsections (2) and (3).

Exception, Pension Plan

(2) The Public Service Pension Plan applies to such members of the Commission and such employees of the Commission as the Lieutenant Governor in Council specifies by order.

Exception, *Public Service Act*

(3) Before the amalgamation under section 3, the *Public Service Act* applies to such members of the Commission as the Lieutenant Governor in Council specifies by order.

Agreement for services

17. The Commission and the Crown, as represented by any minister of the Crown, may enter into agreements in which,

(a) the Crown agrees that employees of the Crown will provide to the Commission services specified in the agreement that the Commission requests to enable it to perform effectively its duties and exercise effectively its powers under this Act or the related legislation; and

(b) the Commission agrees to pay the Crown the amount set out in the agreement for the services provided by those employees.

Conflict of interest, indemnification

18. Sections 132 (conflict of interest) and 136 (indemnification) of the *Business Corporations Act* apply with necessary modifications to the Commission as if the Minister were its sole shareholder.

Protection from liability

19. (1) A member of the Commission is not liable for any act, omission, obligation or liability of the Commission, any employee or agent of the Commission or any person otherwise engaged by the Commission.

Same

(2) The Commission is not liable, and a member, an employee or an agent of the Commission is not liable,

(a) for any act done in good faith in the performance or intended performance of any duty or the exercise or intended exercise of any power under Ontario financial services law; or

(b) for any neglect, default or omission in the performance or exercise in good faith of such duty or power.

Immunity

(3) No action or other proceeding shall be commenced against the Commission or any member, employee or agent of the Commission in respect of anything for which that person would not be liable by reason of subsection (1) or (2).

Liability of the Crown

(4) Despite subsections 5 (2) and (4) of the *Proceedings Against the Crown Act*, subsections (2) and (3) do not relieve the Crown of any liability to which it would otherwise be subject, and the Crown is liable under that Act as if subsections (2) and (3) had not been enacted.

Exemption from *Employment Standards Act, 2000*

(5) Sections 106 and 132 of the *Employment Standards Act, 2000* do not apply to a member of the Commission.

Transition

(6) Before sections 106 and 132 of the *Employment Standards Act, 2000* come into force, the reference to them in subsection (5) shall be deemed to be a reference to Part XIV.2 of the *Employment Standards Act*.

Information, documents and things obtained in performing duties

20. (1) In a civil proceeding and in a proceeding before a tribunal, including the Commission and the Pension Tribunal, no individual who is or was a member of the Commission shall be required to give evidence with respect to information that was obtained, or shall be required to produce documents or other things that were obtained, in the performance of the individual's duties or the exercise of the individual's powers as a member of the Commission.

Same

(2) In a civil proceeding to which the Commission is not a party and in a proceeding before a tribunal other than the Commission to which the Commission is not a party,

(a) except with the consent of the Chair or a Vice-Chair, no person who is or was an employee or agent of the Commission or who is or was otherwise engaged by the Commission shall be required to give evidence with respect to information that was obtained, or shall be required to produce documents or other things that were obtained, in the performance of the person's duties or the exercise of the person's powers as such;

(b) the Commission shall not be required to produce documents or other things that were obtained by a member, an employee or an agent of the Commission or by a person otherwise engaged by the Commission, in the performance of the person's duties or the exercise of the person's powers as such.

PART IV

ASSIGNMENT OF DUTIES AND POWERS

Assignment by Commission

21. (1) Subject to subsection (2), the Commission may assign one or more of the duties and powers of the Commission under this Act or the related legislation,

(a) to a specific member or specific members of the Commission or to any individual who is a member of the Commission;

(b) to a specific Superintendent or to any individual who is a Superintendent;

(c) to a specific Director or specific Directors or to any individual who is a Director.

Exception

(2) The Commission shall not assign to an individual mentioned in clause (1) (b) or (c) a duty or power of the Commission to conduct a hearing or a hearing and review.

Terms and conditions

(3) The Commission may impose terms and conditions on an assignment made by it under this section.

Revocation

(4) The Commission may revoke, in whole or in part, an assignment made by it under this section.

Writing

(5) An assignment, an imposition of terms and conditions and a revocation under this section must be in writing.

Review of decision, without application

(6) If a decision is made by a Superintendent or Director pursuant to an assignment made by the Commission under this section, the Commission may hold a hearing and review of the decision if, within 30 days after the decision is made, the Commission notifies the Superintendent or Director who made the decision and all persons directly affected by the decision of its intention to hold a hearing and review.

Review of decisions, on application

(7) If a decision is made by a Superintendent or Director pursuant to an assignment made by the Commission under this section, a person directly affected by the decision may apply to the Commission for a hearing and review of the decision, by delivering or

mailing a written notice of application to the Commission within 30 days after a written notice of the decision is delivered or mailed to the directly affected person by the Superintendent or Director.

Hearing and review

(8) If the Commission receives a notice of application under subsection (7), it shall hold a hearing and review.

Effective date

(9) The decision of the Superintendent or Director takes effect on the date specified in it or immediately, if no date is specified in it.

Stay

(10) Subsection (9) applies even if the Commission gives notice of its intention to hold a hearing and review of the decision under subsection (6) and even if a person applies for a hearing and review of the decision under subsection (7), unless the Commission orders a stay of the decision, and the Commission may order a stay of the decision on such terms and conditions as it considers appropriate.

Commission's powers after hearing

(11) After a hearing and review under subsection (6) or (8), the Commission may, by order, confirm the decision under review or make any other decision that the Commission considers appropriate.

Assignment by Superintendent

22. (1) A Superintendent may assign one or more of the duties and powers of that Superintendent under the related legislation to a specific employee or specific employees of the Commission.

Terms and conditions

(2) A Superintendent may impose terms and conditions on an assignment made by him or her under this section.

Revocation

(3) A Superintendent may revoke, in whole or in part, an assignment made by him or her or by his or her predecessor under this section.

Writing

(4) An assignment, an imposition of terms and conditions and a revocation under this section must be in writing.

Deemed act of Superintendent

(5) Anything done by an employee of the Commission pursuant to an assignment by a Superintendent under this section shall be deemed to have been done by the Superintendent.

PART V
GENERAL AND FINANCIAL POWERS

Powers of a natural person

23. The Commission has the capacity and the rights, powers and privileges of a natural person.

Crown agency

24. The Commission is an agent of the Crown and its powers may be exercised only as an agent of the Crown.

By-laws

25. (1) Subject to this section, the Commission may make by-laws,

(a) governing the administration, management and conduct of the affairs of the Commission;

(b) setting out the functions, duties and powers of the Chair, each Vice-Chair, the other members of the Commission and the officers of the Commission;

(c) delegating to employees of the Commission one or more of the duties and powers of an officer of the Commission under this Act, the related legislation or a by-law made under clause (b), and fixing the terms and conditions of the delegation;

(d) governing the remuneration and benefits of the Chair, each Vice-Chair and the other members of the Commission;

(e) governing the time, place and methods for holding meetings of the board of directors and the procedure governing those meetings; and

(f) governing the appointment, operation and dissolution of committees of the board of directors and delegating duties of the board to the committees.

Delivery to Minister

(2) The Commission shall deliver to the Minister a copy of every by-law it makes.

Actions by Minister

(3) Within 90 days after the copy of the by-law is delivered to the Minister, the Minister may approve or reject the by-law or return it to the Commission for further consideration.

Effect of approval

(4) A by-law that is approved by the Minister within the 90-day period becomes effective on the date of the approval, unless the by-law provides a later effective date, in which case the by-law becomes effective on the later date.

Effect of rejection

(5) A by-law that is rejected by the Minister within the 90-day period does not become effective.

Effect of return for further consideration

(6) If, within the 90-day period, the Minister returns a by-law to the Commission for further consideration, the by-law does not become effective unless the Commission returns the by-law, amended to the extent necessary, to the Minister, at which time this section applies as if the by-law were being delivered to the Minister for the first time.

Expiry of review period

(7) If, within the 90-day period, the Minister does not approve or reject the by-law or return it to the Commission for further consideration, the by-law becomes effective on the 105th day after the day the copy of it was delivered to the Minister, unless the by-law provides a later effective date, in which case the by-law becomes effective on the later date.

Publication

(8) The Commission shall publish the by-law as soon as practicable after the by-law becomes effective.

Regulations Act not to apply

(9) The *Regulations Act* does not apply to by-laws made by the Commission.

First by-laws

(10) The by-laws of the Commission in effect immediately before the amalgamation under section 3 continue to be the by-laws of the Commission on and after the amalgamation, until they are amended, revoked or replaced by the Commission in the manner provided in this section.

Reimbursement of Crown expenses

26. (1) The Commission may enter into agreements with the Crown providing for the Commission to reimburse the Crown for expenses incurred by the Crown for the purpose of maintaining the financial integrity of a regulated sector.

Deemed to relate to functions

(2) Reimbursement of the Crown by the Commission pursuant to an agreement referred to in subsection (1) shall be deemed to be an expenditure or expense in relation to the functions of the Commission set out in subsection 3 (3), for the purposes of clause 27 (1) (a).

Assessments and fees

27. (1) The Commission may make rules,

(a) prescribing assessments payable to the Commission by persons subject to an Act forming part of the related legislation with respect to the expenditures made or to be made or the expenses incurred or to be incurred by the Commission in a given period in relation to the functions of the Commission set out in subsection 3 (3);

(b) prescribing fees payable to the Commission with respect to,

(i) filings made with the Commission, applications made to the Commission, or other actions taken in relation to the Commission, under this Act or an Act forming part of the related legislation,

(ii) the registration or licensing of persons by the Commission under an Act forming part of the related legislation, or other actions taken by the Commission in connection with such registration or licensing,

(iii) other services provided or actions taken by the Commission under this Act or an Act forming part of the related legislation,

(iv) the administration and enforcement by the Commission of this Act or an Act forming part of the related legislation.

Content of assessment rule

(2) A rule prescribing an assessment shall specify,

(a) the amount, or the method of determining the amount, of the assessment;

(b) the period to which the assessment relates;

(c) the persons who are required to pay the assessment;

(d) the basis on which the assessment is to be allocated among those persons;

(e) the date or dates on which the assessment or any part of the assessment is due;

(f) the interest or penalties that are payable if the assessment or any part of the assessment is not paid in full when it is due; and

(g) the other terms, if any, of the assessment.

Content of fee rule

(3) A rule prescribing a fee shall specify,

(a) the amount, or the method of determining the amount, of the fee;

(b) the persons who are required to pay the fee;

(c) the date or dates on which the fee or any part of the fee is due;

(d) the interest or penalties that are payable if the fee or any part of the fee is not paid in full when it is due; and

(e) the other terms, if any, of the fee.

Assessment rule, reserves

(4) A rule prescribing an assessment with respect to expenditures or expenses relating to the functions of the Commission set out in subsection 3 (3) may include an amount with respect to reserves for the future needs of the Commission in relation to those functions.

Fee rule, reserves

(5) A rule prescribing a fee with respect to an action, a service or a function described in clause (1) (b) may include an amount with respect to reserves for the future needs of the Commission in relation to that action, service or function.

Assessment rule, restriction

(6) A rule prescribing an assessment with respect to expenditures or expenses that are attributable only to functions of the Commission under a particular Act or under particular Acts shall not make the assessment payable by persons who are not subject to that Act or those Acts, as the case may be.

Assessment rules, variation among Acts

(7) A rule prescribing an assessment payable by persons subject to one Act may vary from a rule prescribing an assessment payable by persons subject to another Act.

Assessment rule, variation within Act

(8) A rule prescribing an assessment payable by persons subject to an Act may contain different provisions in relation to different persons or classes of persons subject to that Act.

Regulations, Lieutenant Governor in Council

(9) The Lieutenant Governor in Council may make regulations respecting any matter in respect of which the Commission may make rules under subsection (1), and subsections (2) to (8) apply with necessary modifications to regulations made by the Lieutenant Governor in Council under this subsection.

Unpaid assessments and fees

(10) In addition to any other sanction or remedy that is available for the failure by a person to pay the Commission the full amount of an assessment or a fee payable by the person or the full amount of the interest or penalty payable by the person respecting an assessment or a fee, the unpaid amount of the assessment, fee, interest or penalty is a debt due to the Commission, and the Commission may recover the debt by action or by any other remedy or procedure available by law for the collection of debts owed to the Crown.

Refunds

(11) In the circumstances and subject to the terms and conditions that the Commission considers appropriate, the Commission may refund all or part of a fee or assessment paid to it.

Transition

(12) A rule respecting an assessment or a fee payable to the Commission, that has been made by the OSC under an Act forming part of the related legislation and that is in force immediately before the amalgamation under section 3, shall, upon the amalgamation, be deemed to be a rule made by the Commission under this section.

Borrowing money and giving security

28. (1) The Commission may, with the approval of the Lieutenant Governor in Council,

(a) borrow money;

(b) pledge, mortgage, hypothecate, or grant a security interest in, any of its property.

Short-term borrowing

(2) Despite subsection (1), the Commission may, without the approval of the Lieutenant Governor in Council, borrow money for periods of not more than two years to meet the short-term needs of the Commission, at such times and on such terms and conditions, whether with or without security, as the Minister may approve.

Purchases and loans by Crown

(3) The Minister, on behalf of the Crown, may purchase securities of or make loans to the Commission in such amounts, at such times and on such terms and conditions as the Lieutenant Governor in Council may approve.

Same

(4) The Minister may pay from the Consolidated Revenue Fund the money necessary for a purchase or loan made under subsection (3).

Authority re income

29. (1) Despite the *Financial Administration Act*, the following do not form part of the Consolidated Revenue Fund and, subject to this section, shall be applied to performing the duties imposed and exercising the powers conferred on the Commission under this Act or the related legislation:

1. The assessments and fees payable to the Commission and the interest and penalties payable to the Commission for the non-payment of such assessments and fees when due.

2. The revenue from the performance of a duty imposed or the exercise of a power conferred on the Commission under this Act or the related legislation.

3. The investments held by the Commission and the income from those investments.

Settlement

(2) The Commission shall pay into the Consolidated Revenue Fund money received by the Commission as a payment to settle enforcement proceedings commenced by it, but not money received by the Commission,

(a) to reimburse it for costs incurred or to be incurred by it; or

(b) that is designated, under the terms of the order imposing or approving the settlement, for allocation to or for the benefit of third parties.

Surplus

(3) When ordered to do so by the Minister, the Commission shall pay into the Consolidated Revenue Fund such of its surplus funds as the Minister determines.

Same

(4) In determining the amount of a payment to be made under subsection (3), the Minister shall allow such reserves for the future needs of the Commission as he or she considers appropriate, and shall ensure that the payment will not impair the Commission's ability to pay its liabilities, to meet its obligations as they become due or to fulfil its contractual commitments.

PART VI

SELF-REGULATORY ORGANIZATIONS

Recognition of self-regulatory organizations

30. (1) On the application of a self-regulatory organization, the Commission may recognize the self-regulatory organization if the Commission is satisfied that to do so would be in the public interest.

Terms and conditions of recognition

(2) The Commission may impose terms and conditions on the recognition of a self-regulatory organization.

Termination, etc., of recognition

(3) The Commission may terminate, suspend or restrict the recognition of a recognized self-regulatory organization if the Commission is satisfied that to do so would be in the public interest.

Voluntary surrender of recognition

(4) On the application of a recognized self-regulatory organization, the Commission may accept the voluntary surrender of the recognition of the self-regulatory organization if the Commission is satisfied that the surrender of the recognition is not prejudicial to the public interest.

Terms and conditions of acceptance

(5) The Commission may impose terms and conditions on the acceptance.

Writing

(6) A recognition, a termination, a suspension, a restriction, an acceptance and an imposition of terms and conditions under this section must be in writing.

By-laws, rules, etc., of organization

31. (1) A recognized self-regulatory organization shall regulate the operations, standards of practice and business conduct of its members and their representatives in accordance with its by-laws, rules, regulations, policies, procedures, interpretations and practices.

No contravention of Ontario financial services law

(2) No by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized self-regulatory organization shall contravene Ontario financial services law, but a recognized self-regulatory organization may impose additional requirements within its jurisdiction.

Commission's powers

(3) The Commission may make any decision with respect to any by-law, rule, regulation, policy, procedure, interpretation or practice of a recognized self-regulatory organization if the Commission is satisfied that to do so would be in the public interest.

Review of decisions, etc.

32. (1) If a decision, a direction, an order or a ruling is made by a recognized self-regulatory organization under any of its by-laws, rules, regulations, policies, procedures, interpretations or practices, a Director, a Superintendent or a person directly affected by the decision, direction, order or ruling may apply to the Commission for a hearing and review of the decision, direction, order or ruling, by delivering or mailing a written notice of application to the Commission within 30 days after a written notice of the decision, direction, order or ruling is delivered or mailed to the directly affected person by the recognized self-regulatory organization.

Hearing and review

(2) If the Commission receives a notice of application under this section, it shall hold a hearing and review.

Effective date

(3) The decision, direction, order or ruling of the recognized self-regulatory organization takes effect on the date specified in it or immediately, if no date is specified in it.

Stay

(4) Subsection (3) applies even if a person applies for a hearing and review of the decision, direction, order or ruling, unless the Commission orders a stay, and the Commission may order a stay on such terms and conditions as it considers appropriate.

Commission's powers after hearing

(5) After the hearing and review, the Commission may, by order, confirm the decision, direction, order or ruling under review or make any other decision, direction, order or ruling that the Commission considers appropriate.

Assignment by Commission

33. (1) The Commission may assign to a recognized self-regulatory organization one or more of the duties and powers of the Commission, a Superintendent or a Director with respect to the licensing, registration or certification of a sector participant.

Terms and conditions

(2) The Commission may impose terms and conditions on the assignment.

Revocation

(3) The Commission may revoke the assignment in whole or in part.

Writing

(4) An assignment, an imposition of terms and conditions and a revocation under this section must be in writing.

Council, committee or ancillary body

34. (1) With the prior approval of the Commission and on such terms and conditions as the Commission determines to be necessary or appropriate in the public interest, a recognized self-regulatory organization may establish a council, a committee or an ancillary body and assign to it one or more of the regulatory and self-regulatory duties and powers of the self-regulatory organization.

Inclusion in recognition

(2) The recognition by the Commission of a self-regulatory organization applies to a council, a committee and an ancillary body established by the recognized self-regulatory organization under this section, and the terms and conditions imposed by the Commission on the recognition of the self-regulatory organization apply to the council, committee and ancillary body.

Inclusion in termination, etc.

(3) A termination, suspension or restriction by the Commission of the recognition of a recognized self-regulatory organization applies to a council, a committee and an ancillary body established by the recognized self-regulatory organization under this section.

Inclusion in application of law

(4) The provisions of Ontario financial services law that apply to a recognized self-regulatory organization also apply with necessary modifications to a council, a committee

and an ancillary body established by the recognized self-regulatory organization under this section.

Auditors: organization and its members

35. (1) A recognized self-regulatory organization shall appoint an auditor for the organization.

Same

(2) Every recognized self-regulatory organization shall cause each of its members to appoint an auditor for the member from the panel of auditing firms selected by the self-regulatory organization under subsection (3).

Panel of auditors

(3) Every recognized self-regulatory organization shall select the panel of auditing firms from which each of its members must appoint an auditor.

Qualifications

(4) The panel of auditing firms shall not include a person unless the person has practised in Canada for at least five years as an auditor in the regulated sector represented by the recognized self-regulatory organization.

Examination and report

(5) The auditor of a member of a recognized self-regulatory organization shall make an examination, in accordance with generally accepted auditing standards, of the annual financial statements and regulatory filings that the member of the recognized self-regulatory organization is required to prepare or make under the organization's by-laws, rules, regulations, policies, procedures, interpretations or practices applicable to the member, and shall report on the financial affairs of the member to the recognized self-regulatory organization in accordance with professional reporting standards.

PART VII

RULES, REGULATIONS AND POLICIES

Definition

36. In this Part,

"rule" means a rule under section 27 or under an Act forming part of the related legislation.

Process for making rules

37. (1) The Commission shall publish a notice of every rule that it proposes to make.

Notice of rule

(2) The notice must include,

(a) the proposed rule;

(b) a statement of the substance and purpose of the proposed rule;

(c) a summary of the proposed rule;

(d) a reference to the provisions of this Act or of an Act forming part of the related legislation that provide the authority for the proposed rule;

(e) a discussion of all alternatives to the proposed rule that were considered by the Commission and the reasons for not proposing the adoption of the alternatives considered;

(f) references to all significant unpublished studies, reports and other written material on which the Commission relies in proposing the rule;

(g) a description of the anticipated costs and benefits of the proposed rule;

(h) a reference to every regulation or provision in a regulation that is to be revoked or amended by the Commission in accordance with section 42 in connection with the proposed rule; and

(i) an invitation to interested persons to make written representations with respect to the proposed rule within the period specified in the notice, which shall be at least 90 days following publication of the notice.

Exception re confidential material

(3) The notice does not have to make reference to written material that, in the opinion of the Commission, should be held in confidence because,

(a) it discloses intimate financial, personal or other information; and

(b) the desirability of avoiding disclosure of its substance or its existence in the interests of any person outweighs the desirability of making it or knowledge of its existence available to the public.

Representations re proposed rule

(4) The Commission shall give interested persons a reasonable opportunity to make written representations with respect to the proposed rule within the period specified in the notice.

Exceptions to requirement to publish notice

(5) Publication of a notice is not required if,

(a) each person who would be subject to the proposed rule is given a notice that includes the items listed in clauses (2) (a) to (h) and that names all of the persons who would be subject to the proposed rule, and they and any other person whose interests are likely to be substantially affected by the proposed rule are given an opportunity to make written representations with respect to it;

(b) the proposed rule grants an exemption or removes a restriction and is not likely to have a substantial effect on the interests of persons other than those who benefit under it;

(c) what is proposed is only an amendment that does not materially change an existing rule; or

(d) the Commission,

(i) is of the opinion that there is an urgent need for the proposed rule and that, without it, there is a substantial risk of material harm to persons participating in, or affected by, a regulated sector, or to the integrity of a regulated sector, and

(ii) has the Minister's approval to make the rule without publication of a notice.

Urgent rule, publication of rule and statement

(6) After obtaining the Minister's approval to make a rule to which clause (5) (d) applies, the Commission,

(a) shall publish the rule in *The Ontario Gazette*;

(b) may also publish the rule in any other manner determined by the Commission; and

(c) shall publish with the rule, either in *The Ontario Gazette* or in the other manner in which the rule is published under clause (b), a statement setting out the substance and purpose of the rule and the nature of the urgency and the risk.

Urgent rule, commencement and deemed notice

(7) A rule to which clause (5) (d) applies comes into force on the date on which it is first published and every person affected by the rule shall be deemed to have notice of it on the date it comes into force.

Urgent rule, revocation

(8) A rule to which clause (5) (d) applies is revoked on the 275th day after the day it came into force.

Changes to proposed rule

(9) If, after publication of a notice under subsection (1) and consideration of the written representations, if any, the Commission proposes changes to the proposed rule which are material given the nature and extent of the proposed changes, taken as a whole, the Commission shall publish a notice of the proposed changes.

Notice of proposed changes

(10) The notice must include,

(a) the proposed rule with the changes incorporated;

(b) a concise statement of the purpose of the changes;

(c) the reasons for the changes; and

(d) an invitation to interested persons to make written representations with respect to the changes within the period specified in the notice, which may be any period that the Commission considers appropriate.

Representations re proposed changes

(11) The Commission shall give interested persons a reasonable opportunity to make written representations with respect to the changes within the period specified in the notice.

Making rule

(12) In the case of a proposed rule for which a notice inviting written representations is required to be published, the Commission may make the rule only after publication of the notice and after considering all written representations made during the period for making representations specified in the notice.

Application of s. 86

(13) Section 86 applies to all written representations made under this section as if they were material required to be filed under Ontario financial services law.

Delivery to and actions by Minister

38. (1) The Commission shall deliver to the Minister a copy of every rule it makes together with,

(a) a copy of each notice published under section 37 with respect to the rule as proposed and a copy of each document referred to in each notice, unless publication of a notice was not required;

(b) a summary of the written representations with respect to the rule as proposed that were received by the Commission during the periods for making representations, including a summary of the documents submitted with the representations; and

(c) all other material information that was considered by the Commission in connection with the making of the rule.

Actions by Minister

(2) Within 90 days after the copy of the rule and the other material required under subsection (1) are delivered to the Minister, the Minister may approve or reject the rule or return it to the Commission for further consideration.

Effect of approval

(3) A rule that is approved by the Minister within the 90-day period comes into force on the 15th day after the day it was approved, unless the rule provides a later commencement date, in which case the rule comes into force on the later date.

Effect of rejection

(4) A rule that is rejected by the Minister within the 90-day period does not come into force.

Effect of return for further consideration

(5) If, within the 90-day period, the Minister returns a rule to the Commission for further consideration, the rule does not come into force unless the Commission returns the rule, amended to the extent necessary, to the Minister, at which time this section applies as if the rule were being delivered to the Minister for the first time.

Expiry of review period

(6) If, within the 90-day period, the Minister does not approve or reject the rule or return it to the Commission for further consideration, the rule comes into force on the

105th day after the day the copy of the rule and the other material required under subsection (1) were delivered to the Minister, unless the rule provides a later commencement date, in which case the rule comes into force on the later date.

Exception, urgent rule

(7) This section does not apply to a rule to which clause 37 (5) (d) applies.

Publication after rule is made

39. (1) As soon as practicable after making a rule, the Commission shall publish the rule together with,

(a) a statement of the date on which a copy of the rule and the other material required under subsection 38 (1) were delivered to the Minister;

(b) a statement of the date the rule comes into force if the Minister does not take an action under subsection 38 (2);

(c) a statement of the substance and purpose of the rule;

(d) a summary of the written representations with respect to the rule as proposed that were received by the Commission during the periods for making representations, unless previously published; and

(e) a statement setting out the Commission's response to the significant issues and concerns brought to its attention in the written representations, unless previously published.

Publication after Minister takes action

(2) If the Minister takes an action under subsection 38 (2) with respect to a rule made by the Commission, the Commission shall publish a notice of the action taken by the Minister.

Publication after rule comes into force

(3) As soon as practicable after a rule made by the Commission comes into force, the Commission shall publish it in *The Ontario Gazette* and in any other manner determined by the Commission.

Deemed notice

(4) Every person affected by a rule made by the Commission shall be deemed to have notice of the rule when it is published in *The Ontario Gazette*.

Exception, urgent rule

(5) This section does not apply to a rule to which clause 37 (5) (d) applies.

Rule returned for consideration

40. (1) If the Minister returns a rule to the Commission for further consideration, the Minister may specify the matters to be considered, the terms and conditions that apply and the process to be followed.

Publication of notice

(2) The Commission shall publish a notice of the matters that the Minister specifies to be considered under subsection (1).

Consideration of rule

(3) Subject to the instructions, if any, that the Commission receives under subsection (1), the Commission shall consider a rule returned to it in the manner and following the process that it feels is appropriate.

Requirements by Minister

41. (1) The Minister may in writing require the Commission,

(a) to study and make recommendations with respect to any matter of a general nature under or affecting this Act or the related legislation; and

(b) to consider making a rule with respect to a matter specified by the Minister.

Publication of notice

(2) The Commission shall publish a notice of every requirement the Minister makes under subsection (1).

Content of notice

(3) The notice must include,

(a) a statement of the substance of the requirement; and

(b) references to all unpublished studies, reports and other written material provided to the Commission by the Minister in connection with the requirement, other than material that the Minister has asked the Commission to treat as confidential.

Commission regulations

42. (1) The Commission, with the approval of the Minister, may make a regulation under an Act, amending or revoking a regulation made by the Lieutenant Governor in Council under that Act, if,

(a) the Commission is of the opinion that the amendment or revocation is necessary or advisable in order to effectively implement a rule made or being made by the Commission under that Act; and

(b) the Commission has the power under that Act to make a rule concerning the subject-matter of the amendment or revocation.

Same

(2) If, in accordance with subsection (1), the Commission has made a regulation under an Act amending a regulation made by the Lieutenant Governor in Council under that Act, the Commission may make one or more additional regulations under that Act amending or revoking the Lieutenant Governor in Council's regulation as amended by the Commission, if,

(a) the Commission is of the opinion that the additional regulation is necessary or advisable in order to effectively implement a rule made or being made by the Commission under that Act; and

(b) the Commission has the power under that Act to make a rule concerning the subject-matter of the additional regulation.

Commencement

(3) A regulation made in accordance with subsection (1) or (2) cannot come into force before the rule referred to in that subsection comes into force.

Retroactivity

(4) Subject to subsection (3), a regulation made in accordance with this section is, if it so provides, effective with reference to a period before it is filed.

Special provisions for rules and regulations

43. (1) This section applies to,

(a) a rule made by the Commission under section 27 or under an Act forming part of the related legislation;

(b) a regulation made by the Lieutenant Governor in Council under subsection 27 (9) or under an Act forming part of the related legislation, respecting a matter in respect of which the Commission may make a rule; and

(c) a regulation made by the Commission in accordance with section 42, under this Act or under an Act forming part of the related legislation.

Incorporation by reference

(2) A rule or regulation may incorporate by reference, in whole or in part, any standard, procedure or guideline and may require compliance with any standard, procedure or guideline, as it exists at a particular time or as it may be amended from time to time.

Scope

(3) A rule or regulation may be general or particular in its application, may be made with respect to any class or category of persons, matters or things, may be limited as to time or place or both, may exclude any place or person from its application and may provide an exemption from all or any part of it with or without conditions or restrictions.

Authorizing another to grant an exemption

(4) A rule or regulation may authorize the Commission, a Superintendent or a Director to grant an exemption from all or any part of it with or without conditions or restrictions.

Force and effect of rule

44. (1) Subject to subsection (2), a rule referred to in clause 43 (1) (a) has the same force and effect that it would have if it were a regulation referred to in clause 43 (1) (b).

Conflict

(2) If there is a conflict or an inconsistency between a rule referred to in clause 43 (1) (a) and a regulation referred to in clause 43 (1) (b), the regulation prevails.

Application of *Regulations Act*

45. The *Regulations Act* does not apply to a rule referred to in clause 43 (1) (a) but does apply to a regulation referred to in clause 43 (1) (b) or (c).

Process for adopting policies

46. (1) The Commission may adopt any policy other than a policy that, by reason of its prohibitive or mandatory character, is of a legislative nature.

Publication of notice of proposed policy

(2) The Commission shall publish a notice of every policy that it proposes to adopt.

Content of notice

(3) The notice must include,

(a) the proposed policy;

(b) a statement of the substance and purpose of the proposed policy;

(c) a summary of the proposed policy;

(d) references to all significant unpublished studies, reports, decisions and other written material on which the Commission relies in proposing the policy;

(e) a reference to every provision of this Act or the related legislation to which the proposed policy relates; and

(f) an invitation to interested persons to make written representations with respect to the proposed policy within the period specified in the notice, which shall be at least 60 days following publication of the notice.

Exception re confidential material

(4) The notice does not have to make reference to written material that, in the opinion of the Commission, should be held in confidence because,

(a) it discloses intimate financial, personal or other information; and

(b) the desirability of avoiding disclosure of its substance or its existence in the interests of any person outweighs the desirability of making it or knowledge of its existence available to the public.

Representations re proposed policy

(5) The Commission shall give interested persons a reasonable opportunity to make written representations with respect to the proposed policy within the period specified in the notice.

Exception to requirement to publish notice

(6) Publication of a notice is not required if the proposed policy does not materially change an existing policy.

Changes to proposed policy

(7) If, after publication of a notice under subsection (2) and consideration of the written representations, if any, the Commission proposes changes to the proposed policy which are material given the nature and extent of the proposed changes, taken as a whole, the Commission shall publish a notice of the proposed changes.

Notice of proposed changes

(8) The notice must include,

(a) the proposed policy with the changes incorporated;

(b) a concise statement of the purpose of the changes;

(c) the reasons for the changes; and

(d) an invitation to interested persons to make written representations with respect to the changes within the period specified in the notice, which may be any period that the Commission considers appropriate.

Representations re proposed changes

(9) The Commission shall give interested persons a reasonable opportunity to make written representations with respect to the changes within the period specified in the notice.

Adopting policy

(10) In the case of a proposed policy for which a notice inviting written representations is required to be published, the Commission may adopt the policy only after publication of the notice and after considering all written representations made during the period for making representations specified in the notice.

Publication after policy is adopted

(11) As soon as practicable after adopting a policy, the Commission shall publish the policy together with,

(a) a statement of the date the policy comes into effect;

(b) a statement of the substance and purpose of the policy;

(c) a summary of the written representations with respect to the policy as proposed that were received by the Commission during the periods for making representations, unless previously published; and

(d) a statement setting out the Commission's response to the significant issues and concerns brought to its attention in the written representations, unless previously published.

Application of s. 86

(12) Section 86 applies to all written representations made under this section as if they were material required to be filed under Ontario financial services law.

Transition, rules and policies

47. (1) If, at the time of the amalgamation under section 3, the OSC has begun the process of making a rule or adopting a policy under an Act, bringing the rule or policy into force or into effect and publishing it, but has not completed the process in accordance with the requirements, if any, of that Act, the Commission may continue the process under this Act on and after the amalgamation as though the steps taken before the amalgamation had been taken under this Act.

Transition, rules

(2) If, at the time of the amalgamation under section 3, a rule made by the OSC has been delivered to the Minister, the Minister has not yet taken an action with respect to the rule, and the 60-day period within which the Minister could have taken an action has not yet elapsed, the Minister may deal with the rule under this Act as though it had been delivered to him or her under this Act.

PART VIII

AGREEMENTS, MEMORANDA OF UNDERSTANDING AND ARRANGEMENTS

Agreements, memoranda of understanding, arrangements

48. (1) The Commission shall first deliver to the Minister and then publish every agreement, memorandum of understanding and arrangement that the Commission enters into with another financial services regulatory authority, a self-regulatory body or organization or a government or governmental agency.

Actions by Minister

(2) The Minister may approve or reject the agreement, memorandum of understanding or arrangement within 90 days after it is delivered to the Minister.

Effect of approval

(3) If the Minister approves the agreement, memorandum of understanding or arrangement within the 90-day period, it comes into effect on the day it is approved.

Effect of rejection

(4) If the Minister rejects the agreement, memorandum of understanding or arrangement within the 90-day period, it does not come into effect.

Expiry of review period

(5) If the Minister does not approve or reject the agreement, memorandum of understanding or arrangement within the 90-day period, it comes into effect on the last day of the 90-day period.

Transition

(6) If, at the time of the amalgamation under section 3, an agreement, a memorandum of understanding or an arrangement entered into by the OSC with another financial services regulatory authority, a self-regulatory body or organization or a government or governmental agency has been delivered to the Minister, the Minister has not yet taken an action with respect to the agreement, memorandum of understanding or arrangement, and the 60-day period within which the Minister could have taken an action has not yet elapsed, the Minister may deal with the agreement, memorandum of understanding or arrangement under this Act as though it had been delivered to him or her under this Act.

PART IX

INVESTIGATIONS

Investigation order

49. (1) The Commission or the Minister may, by order, appoint one or more individuals to conduct,

(a) such investigation as the Commission or the Minister, as the case may be, considers expedient with respect to one or more matters relating to the administration or enforcement of Ontario financial services law; or

(b) such investigation with respect to one or more matters as the Commission or the Minister, as the case may be, considers expedient, to assist in the regulation of, or in the administration or enforcement of laws dealing with the regulation of, activities outside Ontario that would be within the jurisdiction of the Commission if they occurred in Ontario.

Same

(2) The order shall describe the matter or matters to be investigated.

What may be investigated

(3) An investigator appointed under this section may, with respect to a person whose affairs are a subject of the investigation, investigate, inquire into, inspect and examine the affairs of that person, including,

(a) any transactions, financial records, other documents or other information of, or connected to, that person;

(b) any property, assets or other things owned, held, acquired or disposed of, at any time, in whole or in part, by that person or by a person acting on behalf of or as agent for that person;

(c) any liabilities, debts, undertakings or obligations at any time existing in respect of that person;

(d) any relationship at any time existing between that person and any other person, if the relationship is related to a matter within a regulated sector or to activities outside Ontario that would be within the jurisdiction of the Commission if they occurred in Ontario; and

(e) any other matter described in the order.

Same

(4) An investigator appointed under this section may, with respect to a person whose affairs are a subject of the investigation, investigate, inquire into, inspect and examine the documents, information and things described in subsection (3), whether they are in the possession or under the control or power of that person or any other person.

No limit on other powers

(5) The power provided in this section to order that an investigation be conducted is in addition to, and does not limit or restrict, any other powers of the Commission or a Superintendent under Ontario financial services law.

Deemed agent

(6) An investigator appointed under this section shall be deemed to be an agent of the Commission for the purposes of sections 19 and 20.

Transition

(7) An investigation or examination under the related legislation by the OSC, the FSCO or the Superintendent of Financial Services appointed under section 5 of the *Financial Services Commission of Ontario Act, 1997* that has not been completed at the time of the amalgamation under section 3 shall, on and after the amalgamation, without the need for a further order, continue as an investigation under this Act and be subject to this Act as though the investigators had been appointed by the Commission.

Power to summon

50. (1) An investigator appointed under section 49 has the power, by summons,

(a) to require the attendance of any person;

(b) to require the summoned person to give evidence on oath or otherwise; and

(c) to require the summoned person to produce documents and other things.

Duty of summoned person

(2) The summoned person shall attend as required by the summons and, upon attendance, shall answer all proper questions and shall produce such documents and other things as are required by the summons and are in the person's possession or under the person's control or power.

Contempt

(3) Without derogating from any of the powers of the Commission, a Superintendent or a Director, the refusal of the summoned person to attend as required by the summons, to answer all proper questions or to produce any document or other thing that is required by the summons and is in the person's possession or under the person's control or power makes the person liable to be committed for contempt by the Superior Court of Justice as if the person was in breach of an order or judgment of that court.

Officer, director or employee

(4) If a director, an officer or an employee of a corporation or of another person is summoned under subsection (1) and a copy of the summons is also served on the corporation or other person, and if the summons includes a direction that the director, officer or employee produce upon his or her attendance documents or other things that are in the possession or under the control or power of the corporation or other person, the corporation or other person, as the case may be, shall take all necessary steps to enable the director, officer or employee to comply with that direction.

Right to claim privilege

(5) A person who is summoned under this section may claim any privilege to which the person is entitled, and a corporation or other person that is served with a copy of a summons issued to one of its directors, officers or employees may claim any privilege to which the corporation or other person, as the case may be, is entitled.

Right to counsel

(6) A person who is summoned under this section and who gives evidence or produces documents or other things pursuant to the summons may be represented by counsel.

Overriding *Evidence Act*

(7) This section applies to a bank and an officer of a bank, despite subsection 33 (4) of the *Evidence Act*.

Right to enter and inspect

51. (1) An investigator appointed under section 49 may, on producing the order appointing him or her,

(a) enter during business hours the premises of any person whose affairs are a subject of the investigation or any other premises described in the order, for the purpose of inspecting, examining or analyzing documents or other things that may reasonably relate to any of the matters specified in the order;

(b) require the production of documents or other things referred to in clause (a) and inspect, examine or analyze them; and

(c) remove the documents or other things inspected, examined or analyzed under clause (b) for the purpose of further inspection, examination or analysis, but only if a receipt is provided listing the documents and other things to be removed.

Dwelling

(2) The power of entry conferred by subsection (1) shall not be exercised to enter premises being used as a dwelling, except with the consent of the occupier or under the authority of a warrant issued under section 52.

Inspection and return

(3) An investigator for whom any document or other thing is produced or who removes any document or other thing under this section shall,

(a) make it available for inspection and copying by the person from whom it was obtained, if practicable; and

(b) return it promptly to the person from whom it was obtained when,

(i) retention is no longer necessary for the purpose of inspection, examination, analysis, a prosecution or any other proceeding, or

(ii) the Commission so orders.

Warrant authorizing entry

52. (1) An investigator appointed under section 49 may apply to a justice of the peace, in the absence of the public and without notice, for a warrant authorizing the individual or individuals named in the warrant,

(a) to enter and search any building, premises, receptacle or place specified in the warrant, including a building, premises or place used as a dwelling; and

(b) to seize anything described in the warrant that is found in the building, premises, receptacle or place and bring it before the justice of the peace who issued the warrant or another justice of the peace to be dealt with by him or her according to law.

Grounds

(2) No warrant shall be issued under this section unless the justice of the peace to whom the application is made is satisfied on information under oath that there are reasonable grounds to believe that there may be in the building, premises, receptacle or place to be entered anything that may reasonably relate to the order made under section 49.

Power to enter, search and seize

(3) An investigator authorized by a warrant issued under this section may, on producing the warrant, enter any building, premises, receptacle or place specified in the warrant between 6 a.m. and 9 p.m., or at any other time if so specified in the warrant, search for and seize anything specified in the warrant, and use as much force as is reasonably necessary for that purpose.

Expiration

(4) A warrant issued under this section shall name the date on which it expires, which shall not be later than 15 days after the day the warrant is issued.

Provincial Offences Act

(5) Sections 159 and 160 of the *Provincial Offences Act* apply to searches and seizures under this section with such modifications as the circumstances require.

Transition

(6) If a warrant has been issued in the course of an investigation or examination commenced under the related legislation by the OSC, the FSCO or the Superintendent of Financial Services appointed under section 5 of the *Financial Services Commission of Ontario Act, 1997* and the warrant has not expired before the amalgamation under section 3, the warrant continues in effect on and after the amalgamation until it expires.

Obstruction

53. No person shall hinder or obstruct, or attempt to hinder or obstruct, an investigator appointed under section 49 or an individual authorized by a warrant issued under section 52 in the performance of his or her duties or the exercise of his or her powers.

False or misleading statements

54. No person shall make a statement in material, evidence or information provided to an investigator appointed under section 49 if the statement, in a material respect and at the time and in the light of the circumstances under which it is made, is untrue or misleading or does not state a fact that is required to be stated or that is necessary to make the statement not misleading.

Report

55. (1) An investigator appointed under section 49 by the Minister shall, at the request of the Minister or the Chair, provide to the individual making the request a report of the investigation and any other documents and information relating to the investigation that the individual making the request specifies.

Same

(2) An investigator appointed under section 49 by the Commission shall, at the request of a member of the Commission who made the order under section 49 appointing the investigator or at the request of the Chair, provide to the individual making the request a report of the investigation and any other documents and information relating to the investigation that the individual making the request specifies.

Non-disclosure

56. (1) Subject to sections 57, 58, 59 and 60, no person shall disclose at any time,

(a) the existence, nature or content of an order under section 49, a summons under section 50 or a warrant under section 52;

(b) the name of any person examined or sought to be examined pursuant to an order under section 49 or a summons under section 50;

(c) the nature or content of any questions asked pursuant to an order under section 49 or a summons under section 50;

(d) any evidence given pursuant to an order under section 49 or a summons under section 50;

(e) the nature or content of any demands for the production of any document or other thing pursuant to an order under section 49 or a summons under section 50;

(f) the fact that any document or other thing was obtained pursuant to an order under section 49, a summons under section 50 or a warrant under section 52;

(g) any document or other thing, or the nature or content of any document or other thing, obtained pursuant to an order under section 49, a summons under section 50 or a warrant under section 52; or

(h) a report, or the nature or content of a report, provided under section 55.

Exceptions

(2) Subsection (1) does not apply to,

(a) a disclosure by an investigator of anything listed in clauses (1) (a) to (g) in a report, document or information provided by the investigator under section 55;

(b) a disclosure made by a person to his, her or its counsel;

(c) a disclosure made to a member or employee of the Commission or a person otherwise engaged by the Commission in connection with the investigation.

Disclosure by investigator

57. An investigator appointed under section 49 may, without notice to any person and without an order of the Commission, disclose anything listed in section 56 on such terms and conditions as he or she considers appropriate,

(a) for the purpose of conducting the investigation;

(b) in connection with a proceeding that relates to the investigation and that is commenced or proposed to be commenced by the Commission under this Act or the related legislation; or

(c) for the purpose of assisting in the regulation of, or in the administration or enforcement of laws dealing with the regulation of, activities outside Ontario that would be within the jurisdiction of the Commission if they occurred in Ontario.

Disclosure authorized by Commission order

58. (1) If the Commission considers that to do so would be in the public interest, it may make an order authorizing a person or persons specified in the order to disclose anything listed in section 56 that is specified in the order on such terms and conditions as are specified in the order.

Notice and hearing

(2) The Commission shall not make an order under subsection (1) unless notice and an opportunity to be heard have been given,

(a) in the case of a disclosure of evidence, to the person who gave the evidence;

(b) in the case of a disclosure of a document or other thing or the nature or content of a document or other thing, to the person from whom the document or other thing, as the case may be, was obtained; and

(c) in every case, to every person, if any, that the Commission considers should be given an opportunity to be heard.

Exception

(3) The Commission may make an order under subsection (1) without giving the notice or the opportunity to be heard that would otherwise be required under subsection (2), if the Commission is of the opinion that the public interest would be adversely affected by the giving of the notice or the opportunity to be heard, as the case may be.

Non-disclosure of Commission order

(4) No person shall disclose any information relating to an order or a hearing under this section, except as authorized by an order under this section.

Disclosure to police, etc.

59. (1) This section applies to a disclosure to,

(a) a municipal, provincial, federal or other police force or a member of that police force; or

(b) a person responsible for the enforcement of the criminal law of Canada or of any other country or jurisdiction.

Disclosure by investigator

(2) No investigator shall make a disclosure under section 57 to a police force or person mentioned in subsection (1) without the written consent of,

(a) in the case of a disclosure of evidence, the person who gave the evidence;

(b) in the case of a disclosure of a document or other thing or the nature or content of a document or other thing, the person from whom the document or other thing, as the case may be, was obtained.

Disclosure authorized by Commission order

(3) The Commission shall not make an order under section 58 authorizing a disclosure to a police force or person mentioned in subsection (1) without the written consent of,

(a) in the case of a disclosure of evidence, the person who gave the evidence;

(b) in the case of a disclosure of a document or other thing or the nature or content of a document or other thing, the person from whom the document or other thing, as the case may be, was obtained.

Production to court

60. (1) A court having jurisdiction over a prosecution initiated by the Commission under the *Provincial Offences Act* may compel production to the court of any evidence taken, or any document or other thing obtained, pursuant to an order under section 49, a summons under section 50 or a warrant under section 52.

Release to defendant

(2) After inspecting the evidence, document or other thing and giving all interested parties an opportunity to be heard, the court, on such terms and conditions as it considers appropriate, may order the release of the evidence, document or other thing to the defendant if the court determines that it is relevant to the prosecution, is not protected by privilege and is necessary to enable the defendant to make full answer and defence.

Admissibility not determined

(3) The making of an order under subsection (2) does not determine whether the evidence, document or other thing is admissible in the prosecution.

Use or further disclosure

61. No person to whom evidence, a document or another thing is disclosed under section 57 or 58 shall use or further disclose the evidence, document or other thing in any way or for any purpose, unless its use or further disclosure in that way or for that purpose,

(a) is one of the purposes of the disclosure to the person under section 58 or 59, as the case may be; or

(b) is permitted under the terms and conditions imposed by the investigator under section 57 or is permitted under the terms and conditions set out in the Commission's order under section 58, as the case may be.

Term or condition

62. No person shall breach a term or condition imposed by an investigator under section 57 or set out in an order of the Commission under section 58.

PART X
PROCEEDINGS

Panels

63. A matter to be heard by the Commission shall be heard and determined by a panel consisting of one or more members of the Commission.

Eligibility to sit on hearing

64. (1) A member of the Commission who makes an order under section 49 appointing one or more individuals to conduct an investigation with respect to one or more matters shall not sit on a hearing by the Commission that deals with any of those matters, except with the written consent of the parties to the proceeding.

Clarification

(2) The member referred to in subsection (1) is not precluded from,

(a) dealing with a matter preliminary to the hearing referred to in subsection (1);

(b) performing a duty or exercising a power in connection with the investigation; or

(c) making an order under section 58, or sitting on a hearing under section 58, that relates to the investigation.

Place of hearing

65. A hearing by the Commission may be held in or outside Ontario.

Joint hearings

66. The Commission may hold a hearing in conjunction with one or more other bodies empowered by statute to regulate, or to administer or enforce laws dealing with the regulation of, activities outside Ontario that would be within the jurisdiction of the Commission if they occurred in Ontario, and the Commission may consult with those bodies in the course of, or in connection with, the hearing.

Production of record by bank or officer

67. Despite subsection 33 (4) of the *Evidence Act*, the Commission may, by summons, require a bank or an officer of a bank, in a proceeding before the Commission to which the bank is not a party, to produce any book or record the contents of which can be proved under section 33 of the *Evidence Act* and to appear as a witness to prove the matters, transactions and accounts recorded in the book or record.

Witnesses outside jurisdiction

68. (1) On the application of the Commission, the Superior Court of Justice may make an order,

(a) appointing an individual to take the evidence of, and to require the production of documents and other things by, a witness outside Ontario for use in a proceeding before the Commission; and

(b) providing for the issuance of a letter of request directed to the judicial or regulatory authorities of the jurisdiction in which the witness is to be found, requesting the issuance of such process as is necessary to compel the witness to attend before the appointed individual to give evidence on oath or otherwise and to produce documents and other things that are relevant to the subject-matter of the proceeding.

Practice and procedure

(2) The practice and procedure in connection with the making of the appointment, the taking of evidence by the appointed individual, the production to the appointed individual of documents and other things and the certifying and return of the evidence, documents and other things shall, as far as possible, be the same as the practice and procedure that govern similar matters in civil proceedings in the Superior Court of Justice.

Admissibility not determined

(3) The making of an order under subsection (1) does not determine whether any evidence given or any document or other thing produced pursuant to the order is admissible in the proceeding before the Commission.

Reciprocal assistance

(4) Subsection (5) applies to a body that is empowered by statute to regulate in a jurisdiction outside Ontario, or to administer or enforce laws dealing with the regulation in a jurisdiction outside Ontario of, activities outside Ontario that would be within the jurisdiction of the Commission if they occurred in Ontario.

Same

(5) If a body described in subsection (4) obtains by way of commission, order or other process, from a court or tribunal of competent jurisdiction in the jurisdiction outside Ontario, authority to take the evidence of and to require the production of documents or other things by a witness located in Ontario for use at a proceeding before that body, the Superior Court of Justice may order the examination of the witness before an appointed individual in the manner and form directed by the commission, order or other process and may, by the same or a subsequent order,

(a) command the witness to attend for the purpose of being examined;

(b) command the witness to produce documents and other things mentioned in the order;

(c) specify the time and place of the examination; and

(d) give directions that it considers appropriate regarding all other matters connected with the examination.

Evidence by affidavit

69. The Commission may require or permit a person to give evidence by affidavit in a proceeding before the Commission, on such terms and conditions as the Commission considers appropriate.

Special powers in relation to proceedings

70. Without limiting the powers of the Commission under the *Statutory Powers Procedure Act* or any other legislation, the Commission, after informing the parties to a proceeding before it and giving them an opportunity to respond,

(a) may, in relation to the proceeding, conduct any inquiry, inspection or investigation that the Commission considers advisable;

(b) may, in addition to considering the evidence given and the documents and other things produced in the proceeding, consider any other relevant information for the purpose of determining any matter in the proceeding.

Costs

71. (1) The Commission may order a party to a proceeding before it to pay any of the following costs:

1. The costs of another party to the proceeding.

2. The costs of or related to the proceeding that are incurred by or on behalf of the Commission.

Exception

(2) If in a proceeding before the Commission an allegation is made that a party is not complying with, or has not complied with, Ontario financial services law or is acting, or has acted, in a manner contrary to the public interest, the Commission shall not order the party to pay any of the costs mentioned in subsection (1) unless the Commission finds that the party is not complying with, or has not complied with, Ontario financial services

law or is acting, or has acted, in a manner contrary to the public interest, as the case may be.

Costs included

(3) For the purposes of subsection (1), the costs incurred by or on behalf of the Commission that the Commission may order the party to pay include, but are not limited to, the following:

1. Costs for time spent in or in relation to the proceeding, including an inquiry, inspection or investigation conducted before or during the proceeding.

2. Costs of legal and other services provided in relation to the proceeding, including an inquiry, inspection or investigation conducted before or during the proceeding.

3. Costs of any other matters preliminary to the proceeding.

4. Fees and disbursements paid to or on account of a witness.

Transition, hearings

72. (1) A proceeding before the OSC that has not been finally disposed of at the time of the amalgamation under section 3 shall be continued before the Commission on and after the amalgamation, but every member of the OSC who participated in the proceeding before the amalgamation remains seized with the matter until its final disposition.

Same

(2) If, at the time of the amalgamation under section 3, the Financial Services Tribunal has begun to hear a matter under an Act forming part of the related legislation other than the *Pension Benefits Act*, but has not yet rendered a decision, the Financial Services Tribunal shall complete the hearing and render a decision, and the members of the Financial Services Tribunal who participated in the hearing before the amalgamation continue in office solely for the purpose of completing the hearing and rendering a decision.

Deemed decision of Commission

(3) A decision made by the Financial Services Tribunal under subsection (2) shall be deemed to be a decision of the Commission for the purposes of enforcement and appeal.

Definition

(4) In this section,

"Financial Services Tribunal" means the Financial Services Tribunal established under the *Financial Services Commission of Ontario Act, 1997*.

Appeal

73. (1) Unless otherwise provided in the related legislation, a person directly affected by a final decision of the Commission may appeal to the Divisional Court within 30 days after the day the Commission issues the reasons for the final decision, unless the Commission states that it does not intend to issue reasons, in which case the person may appeal to the Divisional Court only within 30 days after the day the Commission makes the final decision, whether or not the Commission later issues reasons for the decision.

Effective date

(2) A final decision of the Commission takes effect on the date specified in the decision or immediately, if no date is specified in the decision.

Stay

(3) Subsection (2) applies even if an appeal is taken to the Divisional Court from the decision of the Commission, unless the Commission or the Divisional Court orders a stay of the decision, and the Commission or the Divisional Court may order a stay of the decision on such terms and conditions as it considers appropriate.

Commission as respondent

(4) A person who appeals to the Divisional Court from a decision of the Commission shall name the Commission as a respondent.

Minister may be heard

(5) The Minister is entitled to be heard by counsel or otherwise on the argument of an appeal under this section, whether or not the Minister is named as a party to the appeal.

Certification to court

(6) The Secretary of the Commission shall certify to the Divisional Court the record of the proceeding before the Commission that is required to be compiled under the *Statutory Powers Procedure Act*.

Powers of court on appeal

(7) On the appeal, the court may, by order, direct the Commission to make such decision or to do such other act as the Commission is authorized and empowered to do under Ontario financial services law and as the court considers appropriate, having regard to Ontario financial services law and the material and submissions before the court, and the Commission shall make the decision or do the act in accordance with the court's direction.

Further decisions

(8) Despite an order of the court on an appeal, the Commission may make a further decision with respect to the same matter upon new material or if there is a significant change in the circumstances, and the further decision is subject to this section.

Costs to the Commission

74. Nothing shall preclude a court from ordering costs payable to the Commission and, if a court orders costs payable to the Commission, the court may award a counsel fee to the Commission even if the Commission was represented by its staff.

PART XI

ACCOUNTABILITY

Memorandum of understanding

75. (1) Within one year after the amalgamation under section 3 and every five years after that, the Commission shall enter into a memorandum of understanding with the Minister setting out,

(a) the respective roles and responsibilities of the Commission and the Minister;

(b) the accountability relationship between the Commission and the Minister;

(c) the responsibility of the Commission to provide to the Minister business plans, operational budgets and plans for proposed significant changes in the operations or activities of the Commission; and

(d) any other matter that the Minister may require.

Compliance with memorandum

(2) The Commission shall comply with the memorandum of understanding in performing its duties and exercising its powers under this Act or the related legislation, but the failure to do so does not affect the validity of any action taken by the Commission or give rise to any rights or remedies in favour of any person.

Publication of memorandum

(3) The Commission shall publish the memorandum of understanding as soon as practicable after it is entered into.

Financial statements

76. (1) For each fiscal year of the Commission, the Commission shall prepare, in accordance with generally accepted accounting principles, annual financial statements that present the financial position, results of operations and changes in the financial position of the Commission for the fiscal year.

Fiscal year

(2) The fiscal year of the Commission begins on April 1.

Auditors

(3) The Commission shall appoint one or more auditors licensed under the *Public Accountancy Act* to audit the financial statements of the Commission for each fiscal year.

Provincial Auditor

(4) The Provincial Auditor may also audit the financial statements of the Commission.

Annual report

77. (1) Within six months after the end of each fiscal year, the Commission shall deliver to the Minister an annual report on the affairs of the Commission for the fiscal year, including the Commission's audited financial statements for the fiscal year.

Tabling of report in Assembly

(2) Within one month after receiving the Commission's annual report, the Minister shall table the report in the Legislative Assembly by delivering the report to the Clerk.

Statement of priorities and anticipated expenditures

78. (1) The Commission shall, within 180 days after the amalgamation under section 3, and thereafter within 90 days after the end of each fiscal year, deliver to the Minister and publish a statement of the Commission setting out,

(a) the proposed priorities of the Commission in connection with the administration of this Act and the related legislation;

(b) a summary of the reasons for the adoption of the priorities; and

(c) an outline in general terms of the Commission's anticipated expenditures for the next fiscal year, by category, for any category expected to exceed 10 per cent of the Commission's overall expenditures for the fiscal year.

Notice inviting representations

(2) At least 60 days before the date the statement is published, the Commission shall publish a notice inviting interested persons to make written representations as to the matters that should be identified as priorities.

Minister's request for information

79. The Commission shall give the Minister promptly such information about its activities, operations and financial affairs as the Minister may request.

Examination

80. (1) The Minister may appoint a person to examine any financial or accounting procedures, activities or practices of the Commission.

Report

(2) The person appointed under subsection (1) shall conduct the examination and report the results of the examination to the Minister.

Duty to assist

(3) The members and employees of the Commission shall give the person appointed under subsection (1) all the assistance and co-operation necessary to enable him or her to complete the examination.

PART XII
GENERAL

Non-application of certain Acts

81. The *Corporations Act* and the *Corporations Information Act* do not apply to the Commission.

Prohibited orders and rulings

82. The Commission shall not make any orders or rulings of general application.

Decision under more than one provision

83. Nothing in Ontario financial services law shall be construed as limiting the Commission's power to make a decision under more than one provision of this Act and the related legislation in respect of the same conduct or matter.

Revocation or variation of decision

84. The Commission may, by order, revoke or vary a decision of the Commission on such terms and conditions as the Commission considers appropriate, on the application of a Director, a Superintendent or a person directly affected by the decision, if in the Commission's opinion the order would not be prejudicial to the public interest.

Certificates

85. (1) The Commission may issue the following certificates:

1. A certificate stating one or more of the following:

   i. As of a specified date, a person or a pension plan was or was not licensed or registered under Ontario financial services law.

   ii. As of a specified date, the licence or registration was or was not renewed, suspended, revived, revoked, cancelled or subject to terms and conditions.

2. A certificate stating any other matter respecting the licensing, registration, non-licensing or non-registration of a person or pension plan under Ontario financial services law or respecting the person or pension plan that is or is not licensed or registered.

3. A certificate stating that a copy of, or an extract from, any document or other thing in the custody of the Commission is a true copy of, or extract from, the document or other thing.

4. A certificate stating the date on which the Commission issued any notification or document.

5. A certificate stating the date on which any notification or document was served on, delivered to, filed with or received by the Commission.

6. A certificate stating the non-filing of any material required or permitted to be filed with the Commission.

7. A certificate stating any other matter respecting any notification, document, material, thing, service, delivery, filing or non-filing mentioned in paragraph 3, 4, 5 or 6.

8. A certificate stating the date on which the facts on which a proceeding for an offence is based first came to the knowledge of the Commission.

9. A certificate stating that the Commission made an order, a ruling, a decision or an inquiry, or issued a licence, a registration, a direction, a not[illegible]cation, a requirement or a document, under this Act or the related legislation.

Certificate as evidence

(2) A certificate issued under this section that purports to be signed on behalf of the Commission shall be received in evidence in any proceeding as proof, in the absence of

evidence to the contrary, of the facts stated in the certificate, without proof of the signature or the position of the individual appearing to have signed the certificate.

True copy or extract as evidence

(3) A copy or an extract that purports to be certified by the Commission as being a true copy of, or extract from, a document or other thing shall be received in evidence in any proceeding to the same extent as, and has the same evidentiary value as, the document or other thing of which it is a copy or from which it is an extract.

Filing of material

86. (1) If Ontario financial services law requires that material be filed with the Commission, the filing must be effected by depositing the material, or causing it to be deposited, with the Commission.

Public inspection

(2) Unless otherwise provided in the related legislation, the Commission shall make available for public inspection, during the normal business hours of the Commission, all material filed with the Commission that, at the time it was filed, was required to be filed with the Commission under Ontario financial services law.

Exception re confidential material

(3) Despite subsection (2), the Commission is not required to make material filed with the Commission available for public inspection if the Commission is of the opinion that the material discloses intimate financial, personal or other information and that the desirability of avoiding disclosure of the material in the interests of any person outweighs the desirability of adhering to the principle that material filed with the Commission be made available for public inspection.

Collection and disclosure of information

87. (1) The Commission may collect personal information within the meaning of section 38 of the *Freedom of Information and Protection of Privacy Act* for the purposes of performing its duties and exercising its powers under Ontario financial services law.

Terms of licence or registration

(2) Despite the *Freedom of Information and Protection of Privacy Act*, the Commission may disclose, in such manner as it considers appropriate in the public interest, the terms and conditions imposed by the Commission, a Superintendent or a Director on a registration or licence under Ontario financial services law.

Exchange of information.

(3) Despite the *Freedom of Information and Protection of Privacy Act*, the Commission may provide information to and receive information from financial services

regulatory authorities, self-regulatory bodies and organizations, stock exchanges, clearing agencies, law enforcement agencies and other governmental or regulatory authorities, both in Canada and elsewhere, and any information so received by the Commission is exempt from disclosure under that Act if the Commission determines that the information should be held in confidence.

Information received by Minister

(4) Despite the *Freedom of Information and Protection of Privacy Act*, information received by the Minister from the Commission is exempt from disclosure under that Act if the information is exempt by this section from disclosure by the Commission under that Act.

Protection and immunity for compliance

88. No person is liable for anything the person has done or omitted to do in compliance with Ontario financial services law, and no action or other proceeding shall be commenced against the person in respect of such act or omission.

Offence

89. (1) A person who contravenes section 53, 54 or 56, subsection 58 (4) or 59 (2) or section 61 or 62 is guilty of an offence and, on conviction, is liable to a fine of not more than $1,000,000 or to imprisonment for a term of not more than two years, or to both.

Directors and officers

(2) If a director or an officer of a corporation or of another person authorizes, permits or acquiesces in the commission by the corporation or other person of an offence under subsection (1), the director or officer is guilty of an offence and, on conviction, is liable to a fine of not more than $1,000,000 or to imprisonment for a term of not more than two years, or to both, whether or not a charge has been laid or a finding of guilt has been made against the corporation or other person in respect of the offence under subsection (1).

Defence

(3) Without limiting the availability of other defences, no person is guilty of the offence of contravening section 54 if the person did not know, and in the exercise of reasonable diligence could not have known, that the statement, at the time and in the light of the circumstances under which it was made, was untrue or misleading or omitted to state a fact that was required to be stated or that was necessary to make the statement not misleading.

Same

(4) Without limiting the availability of other defences, no director or officer is guilty of the offence of authorizing, permitting or acquiescing in the commission by a

corporation or other person of the offence of contravening section 54, if the director or officer did not know, and in the exercise of reasonable diligence could not have known, that the statement, at the time and in the light of the circumstances under which it was made, was untrue or misleading or omitted to state a fact that was required to be stated or that was necessary to make the statement not misleading.

Consent of Commission

(5) No proceeding shall be commenced under this section except with the consent of the Commission.

Limitation period

(6) No proceeding shall be commenced under this section later than six years from the date of the occurrence of the last event on which the proceeding is based.

Information containing more than one offence

(7) An information laid in respect of an offence under this Act may be for one or more offences under this Act or the related legislation, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

Trial by provincial judge

(8) The Commission or an agent of the Commission may, by notice to the clerk of the court having jurisdiction in respect of an offence under this Act, require that a provincial judge preside over the proceeding in respect of the offence.

Application to Her Majesty

90. (1) Subject to subsection (2), this Act applies to,

(a) Her Majesty in right of Canada;

(b) Her Majesty in right of Ontario;

(c) Her Majesty in right of any other province or territory of Canada; or

(d) an agent or employee of a person mentioned in clause (a), (b) or (c).

Exceptions

(2) Sections 50, 51, 52 and 89 do not apply in respect of,

(a) Her Majesty in right of Canada;

(b) Her Majesty in right of Ontario;

(c) Her Majesty in right of any other province or territory of Canada; or

(d) an agent or employee of a person mentioned in clause (a), (b) or (c), if the matter arises from the performance of a duty or the exercise of a power as an agent or employee of that person or from neglect or default in the performance or exercise of such duty or power.

Review of legislation

91. (1) Within the three-year period after the amalgamation under section 3 and within each five-year period after that period, the Minister shall appoint an advisory committee to review all or part of this Act and the related legislation as they relate to matters dealt with by the Commission and the legislative needs of the Commission.

Notice and comment

(2) The advisory committee shall review this Act and the related legislation as they relate to matters dealt with by the Commission and the legislative needs of the Commission, in accordance with the request of the Minister under subsection (1), and shall solicit the views of the public in respect of those matters by means of a notice and comment process.

Report

(3) The advisory committee shall prepare for the Minister a report of its review and its recommendations.

Tabling of report

(4) The Minister shall table the report in the Legislative Assembly by delivering the report to the Clerk.

Review of report

(5) Upon the report being tabled, a select or standing committee of the Legislative Assembly shall be appointed to review the report, hear the opinions of interested persons and make recommendations to the Legislative Assembly regarding amendments to this Act and the Acts forming part of the related legislation.

PART XIII
AMENDMENTS AND REPEALS

Schedules A to L enacted

92. Schedules A, B, C, D, E, F, G, H, I, J, K and L are hereby enacted.

PART XIV
COMMENCEMENT

Commencement

93. (1) Subject to subsections (2) to (6), this Act comes into force on the day it receives Royal Assent.

Same

(2) Section 3, Part IV, sections 26 and 27, Parts VI, VII, VIII, IX, X and XII and Schedules A, B, C, D, E, F, G, H, I, J, K and L come into force on a day to be named by proclamation of the Lieutenant Governor, subject to subsections (3) to (6).

Same

(3) Sections 81 to 90 of Schedule D come into force on the later of the following:

1. The day subsection 79 (1) of Schedule D comes into force.

2. The day subsection 2 (6) of Schedule I to the *Red Tape Reduction Act, 1999* comes into force.

Same

(4) Subsections 22 (14) and 24 (2) of Schedule F come into force on the later of the following:

1. The day subsection 24 (1) of Schedule F comes into force.

2. The day subsection 1 (2) of Schedule G to the *Red Tape Reduction Act, 2000* comes into force.

Same

(5) Subsections 24 (3) and (4) and sections 45 to 55 of Schedule F come into force on the later of the following:

1. The day subsection 24 (1) of Schedule F comes into force.

2. The day subsection 4 (59) of Schedule I to the *Red Tape Reduction Act, 1999* comes into force.

Same

(6) Sections 5 and 6 of Schedule H come into force on the later of the following:

1. The day subsection 4 (1) of Schedule H comes into force.

2. The day subsection 6 (2) of Schedule I to the *Red Tape Reduction Act, 1999* comes into force.

Same

(7) Any proclamation relating to a Schedule to this Act may apply to the whole or any part, section or subsection of the Schedule, and proclamations may be issued at different times with respect to different parts, sections or subsections of the Schedule.

SCHEDULE A

AMENDMENTS TO THE COMMODITY FUTURES ACT

1. (1) The definition of "Commission" in subsection 1 (1) of the *Commodity Futures Act* is repealed and the following substituted:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) The definition of "decision" in subsection 1 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 22, is repealed and the following substituted:

"decision", in relation to the Commission or a Director, means a decision, a direction, an order, a ruling or a requirement made or issued by the Commission or a Director, as the case may be, under a power or duty that is conferred by this Act or the regulations, including a power or duty conferred on the Commission by this Act or the regulations and exercised by another by virtue of an assignment of the power or duty under section 21 of the *Ontario Financial Services Commission Act*. ("décision")

(3) The definition of "Director" in subsection 1 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 22, is repealed and the following substituted:

"Director" means a person employed by the Commission in the position of a Director or a person employed by the Commission in a position designated by the Commission from time to time for the purposes of this definition. ("directeur")

(4) The definition of "recognized self-regulatory organization" in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 22, is repealed and the following substituted:

"recognized self-regulatory organization" means an organization that is a self-regulatory organization for the purposes of this Act or the *Securities Act* and that is recognized by the Commission under the *Ontario Financial Services Commission Act*. ("organisme d'autoréglementation reconnu")

(5) The definition of "Secretary" in subsection 1 (1) of the Act is repealed.

(6) The definition of "self-regulatory organization" in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 22, is repealed and the following substituted:

"self-regulatory organization" means a person or company that represents market participants and is organized for the purpose of regulating the operations and standards of practice and business conduct of its members and their representatives with a view to promoting the protection of investors and the public interest. (''organisme d'autoréglementation")

2. Section 2.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 24, is repealed.

3. Section 3 of the Act, as amended by the Statutes of Ontario, 1999, chapter 9, section 25, is repealed.

4. Sections 3.1 and 3.2 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 26, are repealed.

5. (1) Subsection 4 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 27, is amended by striking out "Within 30 days after a decision of the Director" at the beginning and substituting "Within 30 days after a decision of the Director made under this Act or the regulations".

(2) Subsection 4 (2) of the Act is amended by striking out "a decision of the Director" and substituting "a decision of the Director made under this Act or the regulations".

6. Section 5 of the Act, as amended by the Statutes of Ontario, 1999, chapter 9, section 28, is repealed.

7. Sections 7 to 13 of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, are repealed.

8. Subsection 14.1 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "such fees as may be prescribed by the regulations" and substituting "such fees as may be prescribed under the *Ontario Financial Services Commission Act*".

9. Section 16 of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is repealed.

10. (1) Subsection 18 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "or a recognized self-regulatory organization".

(2) Subsection 18 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "or recognized self-regulatory organization" in the portion before clause (a).

(3) Clauses 18 (2) (a), (b) and (c) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, are amended by striking out "or recognized self-regulatory organization" wherever it occurs.

(4) Subsection 18 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "and recognized self-regulatory organizations".

11. Section 19 of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is repealed and the following substituted:

Voluntary surrender

19. On application by a registered commodity futures exchange or recognized clearing house, the Commission may accept, on such terms and conditions as it may impose, the voluntary surrender of the registration of the commodity futures exchange or of the recognition of the clearing house if the Commission is satisfied that the surrender of the registration or recognition would not be prejudicial to the public interest.

12. (1) Subsection 20 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "or recognized self-regulatory organization".

(2) Subsections 20 (2) and (3) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, are repealed and the following substituted:

Same

(2) The Commission may assign to a registered commodity futures exchange any of the powers and duties of the Director under Part VIII or the regulations related to that Part.

Revocation of assignment

(3) The Commission may at any time revoke, in whole or in part, an assignment of powers and duties made under this section.

13. Section 21 of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "recognized self-regulatory organization" wherever it occurs.

14. Subsection 21.1 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended,

(a) by striking out "The Executive Director" at the beginning and substituting "The Director"; and

(b) by striking out "recognized self-regulatory organization".

15. (1) Subsection 21.3 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "and every recognized self-regulatory organization".

(2) Subsection 21.3 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "and every recognized self-regulatory organization".

(3) Subsection 21.3 (5) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 30, is amended by striking out "or recognized self-regulatory organization, as the case may be".

16. Clause 55 (1) (a) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 39, is repealed and the following substituted:

(a) makes a statement in any material, evidence or information submitted under or in connection with the administration of Ontario commodity futures law to the Commission, a Director or any person acting under the authority of the Commission that, in a material respect and at the time at which and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading.

17. Section 57 of the Act is repealed and the following substituted:

Information containing more than one offence

57. An information laid in respect of an offence under this Act may be for one or more offences under this Act or under an Act that is part of the related legislation as defined in subsection 1 (1) of the *Ontario Financial Services Commission Act*, and no information, summons, warrant, conviction or other proceeding in any prosecution is

objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

18. Section 60.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 41, is repealed.

19. Section 62 of the Act is repealed.

20. Section 63 of the Act, as amended by the Statutes of Ontario, 1999, chapter 9, section 42, is repealed.

21. Section 64 of the Act, as amended by the Statutes of Ontario, 1999, chapter 9, section 43, is repealed.

22. (1) Paragraph 25 of subsection 65 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 47, is repealed.

(2) Subsections 65 (3) to (10) and subsections (12), (13) and (14) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 47, are repealed.

23. Sections 67 to 79 and section 81 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 47, are repealed.

24. Section 82 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 47, is repealed.

25. Section 83 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 47, is repealed and the following substituted:

Enforcement of Director's decision

83. (1) On filing with the Superior Court of Justice, a decision made by a Director pursuant to an assignment under subsection 21 (1) of the *Ontario Financial Services Commission Act* shall be deemed to be an order of the Superior Court of Justice and is enforceable as such.

Filing decision

(2) A decision of a Director may not be filed with the court under subsection (1) until the time permitted for an application to review the Director's decision pursuant to subsection 4 (2) or pursuant to subsection 21 (6) of the *Ontario Financial Services Commission Act*, as the case may be, has expired or, if the decision has been appealed, the Commission has confirmed it.

26. Sections 84 and 85 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 47, are repealed.

SCHEDULE B

AMENDMENTS TO THE COMPULSORY AUTOMOBILE INSURANCE ACT

1. (1) Subsection 1 (1) of the *Compulsory Automobile Insurance Act*, as amended by the Statutes of Ontario, 1993, chapter 10, section 52, 1996, chapter 21, section 50, 1997, chapter 19, section 2 and 1997, chapter 28, sections 29 and 30, is further amended by adding the following definitions:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*; ("Commission")

"rules" means the rules made by the Commission under section 15, unless the contrary intention appears. ("règles")

(2) The definition of "Superintendent" in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 30, is repealed and the following substituted:

"Superintendent" means the Superintendent of Insurance appointed under section 10 of the *Ontario Financial Services Commission Act*. ("surintendant")

2. Subsection 9 (1) of the Act is amended by striking out "with this Act or the regulations" at the end of the portion before clause (a) and substituting "with this Act, the regulations or the rules".

3. (1) Subsection 10 (1) of the Act, as re-enacted by the Statutes of Ontario, 1993, chapter 10, section 52 and amended by 1997, chapter 28, section 29, is repealed and the following substituted:

Filing of by-laws, etc.

(1) The Association shall file with the Superintendent every by-law, rule or resolution of the Association and every amendment, revision or consolidation of the Plan or of the articles of association, by-laws, rules or resolutions of the Association at least 30 days before the effective date of the by-law, rule or resolution or of the amendment, revision or consolidation.

(2) Subsection 10 (2) of the Act, as re-enacted by the Statutes of Ontario, 1993, chapter 10, section 52 and amended by 1997, chapter 28, section 29, is further amended by striking out "No by-law" at the beginning and substituting "No by-law, rule or resolution of the Association".

4. Section 11.1 of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 52 and amended by 1997, chapter 28, section 29, is further amended by striking out "The Superintendent" at the beginning and substituting "The Commission".

5. Subsection 13 (1) of the Act is amended by striking out "shall certify, in the form prescribed by the regulations" and substituting "shall certify, in a form approved by the Superintendent, which may be an electronic form".

6. Subsection 14 (2) of the Act, as re-enacted by the Statutes of Ontario, 1993, chapter 10, section 52, is amended by striking out "any provision of this Act or the regulations" and substituting "any provision of this Act, the regulations or the rules".

7. Section 15 of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 52, 1996, chapter 21, section 50, 1997, chapter 19, section 2 and 1997, chapter 28, section 29, is repealed and the following substituted:

Rules

15. The Commission may make rules specifying amendments to the Plan and to the articles of association, by-laws, rules and resolutions of the Association.

Regulations

15.1 The Lieutenant Governor in Council may make regulations,

(a) prescribing identifying markers for all automobiles licensed in Ontario and providing for their use;

(b) requiring an insurer, a class of insurers or the Association to provide the Minister of Transportation with information and specifying the information that must be provided, including personal information, and conditions that apply with respect to the provision of the information;

(c) exempting any person or group of persons from any provision in this Act or in a regulation made under this section, subject to such conditions as may be specified in the regulation;

(d) respecting any matter in respect of which the Commission may make rules under section 15.

SCHEDULE C

AMENDMENTS TO THE CO-OPERATIVE CORPORATIONS ACT

1. The *Co-operative Corporations Act* is amended by striking out "Minister" wherever it occurs and substituting in each case "Commission", except in the following provisions:

1. **Subsections 5 (1) and (1.1).**
2. **Subsection 6 (1).**
3. **Section 157.**
4. **Subsection 174 (1).**
5. **Subsection 179 (1).**
6. **Section 183.**
7. **Section 184.**

2. The Act is amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

3. (1) Subsection 1 (1) of the Act, as amended by the Statutes of Ontario, 1992, chapter 19, section 1, 1994, chapter 17, section 1, 1997, chapter 28, section 34 and 1999, chapter 6, section 14, is further amended by adding the following definition:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) The definition of "Ministry" in subsection 1 (1) of the Act is repealed.

(3) Subsection 1 (1) of the Act, as amended by the Statutes of Ontario, 1992, chapter 19, section 1, 1994, chapter 17, section 1, 1997, chapter 28, section 34 and 1999, chapter 6, section 14, is further amended by adding the following definition:

"rules" means, except in subsections 171.8 (2) and (3), the rules made by the Commission under section 185.1; ("règles")

(4) The definition of "Superintendent" in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 34, is repealed.

(5) Section 1 of the Act, as amended by the Statutes of Ontario, 1992, chapter 19, section 1, 1994, chapter 17, section 1, 1997, chapter 28, section 34 and 1999, chapter 6, section 14, is further amended by adding the following subsection:

Interpretation

(7) A reference in this Act to a rule shall be deemed to include a reference to a regulation authorized under clause 186 (1) (e).

4. The Act is amended by adding the following section:

Delegation

2. The Minister may delegate in writing any of his or her powers under this Act to an employee in the Ministry of Finance, to an agent of the Ministry or to the Commission.

5. Subsection 6 (1) of the Act, as amended by the Statutes of Ontario, 1994, chapter 17, section 4 and 1997, chapter 19, section 3, is repealed and the following substituted:

Certificate of incorporation

(1) If the articles comply with this Act and the regulations, the approvals to incorporate that are required by statute have been given, all prescribed information has been delivered to the Minister and all fees prescribed under the *Ontario Financial Services Commission Act* have been paid, the Minister shall issue to the incorporators or their agents a certificate of incorporation.

6. Subsection 12 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3, is further amended by striking out "the fee established by the Minister" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

7. Subsection 14 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 35, is further amended by striking out "file a certified copy of the by-law" and substituting "file notice of a by-law change".

8. Clause 30.1 (3) (a) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 17, section 7, is amended by striking out "a prescribed amount" at the end and substituting "an amount specified in the rules".

9. Subsection 32.1 (5) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 17, section 9, is amended by striking out "as prescribed" at the end and substituting "in accordance with the rules".

10. Section 34 of the Act, as amended by the Statutes of Ontario, 1994, chapter 17, section 11 and 1997, chapter 28, section 35, is repealed and the following substituted:

Offering statement

34. (1) No co-operative or person shall sell, dispose of or accept directly or indirectly any consideration for securities of the co-operative if the co-operative has more than 25 security holders or if the sale or disposition of or acceptance of consideration for such securities would have the effect of increasing the number of security holders in the co-operative to more than 25 unless,

(a) the co-operative has filed an offering statement under this Act and obtained a receipt for it; or

(b) the co-operative has filed a preliminary prospectus and a prospectus in respect of the offering of its securities under the *Securities Act* and obtained receipts for them.

Exception

(2) Subsection (1) does not apply to,

(a) the issue of shares under subsection 56 (1) or of debt obligations under subsection 56 (4); or

(b) such issues of shares or debt obligations as may be specified in the rules.

11. (1) Subsection 35 (2) of the Act is amended by striking out "the regulations" at the end and substituting "the rules".

(2) Subsection 35 (3) of the Act is amended by striking out "the regulations" at the end and substituting "the rules".

(3) The definition of "material change" in subsection 35 (6) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 1, is amended by striking out "prescribed by the regulations as not a material change" at the end and substituting "specified in the rules as not a material change".

12. (1) Subsection 36 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 35, is further amended by striking out "in his or her discretion" in the portion before clause (a).

(2) Subclause 36 (1) (a) (i) of the Act is amended by striking out "this Act or the regulations" at the end and substituting "this Act, the regulations or the rules".

(3) The French version of subsection 36 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 35, is further amended by striking out "au moyen d'un arrêté" and substituting "au moyen d'une ordonnance".

13. Section 42 of the Act is amended by striking out "as are prescribed by this Act" and substituting "as are specified in the rules".

14. Subsection 47 (4) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 17, section 13, is amended by striking out "preference shares that are prescribed shares" and substituting "preference shares that are specified in the rules".

15. Subsection 49 (1) of the Act, as amended by the Statutes of Ontario, 1992, chapter 19, section 7, is further amended by striking out "not exceeding the prescribed maximum annual percentage" and substituting "not exceeding the maximum annual percentage specified in the rules".

16. Section 53 of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3 and 1997, chapter 28, section 37, is repealed.

17. (1) Subsection 56 (4) of the Act, as amended by the Statutes of Ontario, 1992, chapter 19, section 10, is further amended by striking out "the prescribed maximum annual percentage" at the end and substituting "the maximum annual percentage specified in the rules".

(2) Subsection 56 (5) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 15, is amended by striking out "as defined in the regulations" at the end and substituting "as defined in the rules".

18. Clause 57 (2) (a) of the Act, as re-enacted by the Statutes of Ontario, 1992, chapter 19, section 11, is amended by striking out "the prescribed maximum annual percentage" at the end and substituting "the maximum annual percentage specified in the rules".

19. Subsection 58 (2) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 16, is amended by striking out "the prescribed rate" at the end and substituting "the rate specified in the rules".

20. (1) Clause 64 (3) (a) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 18, is amended by striking out "other than prescribed shares" at the end and substituting "other than such shares as may be specified in the rules".

(2) Subsection 64 (5) of the Act, as amended by the Statutes of Ontario, 1994, chapter 17, section 18, is further amended by striking out "in the manner prescribed by subsection (1)" in the portion before clause (a) and substituting "in the manner specified in subsection (1)".

(3) Clause 64 (5) (a) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 18, is amended by striking out "other than prescribed shares" and substituting "other than such shares as may be specified in the rules".

21. Subsection 66 (6) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 19, is amended by striking out "other than prescribed shares" in the portion before clause (a) and substituting "other than such shares as may be specified in the rules".

22. Subsection 69 (3) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 22, is amended by striking out "their fair value, as determined by regulation" and substituting "their fair value, as determined by the rules".

23. Subsection 71 (2) of the Act is amended by striking out "at the same time as that prescribed by this Act" and substituting "at the same time as that set out in this Act".

24. (1) Subsection 90 (1) of the Act is amended by striking out "in the manner prescribed by section 91" and substituting "in the manner set out in section 91".

(2) Subsection 90 (3) of the Act is amended by striking out "within the prescribed period" and substituting "within the period set out in subsection (2)".

25. Subsection 112 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 37, is repealed and the following substituted:

Notice

(2) The applicant under subsection (1) shall give the co-operative and the Commission notice of the person's application, and the co-operative and the Commission, through their counsel, have the right to appear and be heard thereon.

26. Subsection 113 (4) of the Act is amended by striking out "information required by this Act or the regulations" in the portion before clause (a) and substituting "information required by this Act, the regulations or the rules".

27. Subsection 118 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 37, is repealed and the following substituted:

Order for removal of records

(3) The Commission may, by order and upon such terms as the Commission thinks fit, permit the co-operative to keep all or any of the records mentioned in subsection (1) at such place or places, other than the head office, as the Commission thinks fit if a co-operative,

(a) shows, to the satisfaction of the Commission, the necessity of keeping those records at a place other than the head office of the co-operative; and

(b) gives to the Commission adequate assurance, by surety bond or otherwise, that such records will be open for examination,

(i) at the head office or some other place in Ontario designated by the Commission, and

(ii) by any person who is entitled to examine them and who has applied to the Commission for such an examination.

Order rescinded

(4) The Commission may by order and upon such terms as it sees fit rescind an order made under subsection (3).

28. (1) Clause 149 (a) of the Act is repealed and the following substituted:

(a) apply to court for an order to wind up the co-operative.

(2) Clause 149 (b) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 40, is repealed and the following substituted:

(b) cancel the certificate of incorporation for cause under section 166.

29. Subsection 154 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3, is repealed and the following substituted:

Certificate of amendment

(1) If the articles of amendment comply with this Act and the regulations and all fees prescribed under the *Ontario Financial Services Commission Act* have been paid, the Commission shall issue to the co-operative or its agent a certificate of amendment.

30. Subsection 155 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3, is repealed and the following substituted:

Certificate of restatement

(3) If the restated articles of incorporation comply with this Act and the regulations and all fees prescribed under the *Ontario Financial Services Commission Act* have been paid, the Commission shall issue to the co-operative or its agent a restated certificate of incorporation.

31. (1) Subsection 157 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3, is repealed and the following substituted:

Certificate of amalgamation

(3) If the articles of amalgamation comply with this Act and the regulations and all fees prescribed under the *Ontario Financial Services Commission Act* have been paid, the Minister shall issue to the amalgamated co-operative or its agent a certificate of amalgamation.

(2) Clause 157 (4) (a) of the Act is amended by striking out "terms and conditions prescribed in the amalgamation agreement" at the end and substituting "terms and conditions of the amalgamation agreement".

32. Subsection 165 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3, is repealed and the following substituted:

Certificate of dissolution

(1) If the articles of dissolution comply with this Act and the regulations, all fees prescribed under the *Ontario Financial Services Commission Act* have been paid, and all taxes payable by the co-operative to the Minister of Finance have been paid, the Commission shall issue to the co-operative or its agent a certificate of dissolution.

33. Section 166 of the Act is repealed and the following substituted:

Cancellation of certificate, etc., by Commission

166. Where sufficient cause is shown to the Commission, the Commission may, after it has given the co-operative an opportunity to be heard by order upon such terms and conditions as it sees fit, cancel a certificate of incorporation or any certificate issued by the Commission under this Act, and,

(a) in the case of the cancellation of a certificate of incorporation, the co-operative is dissolved on the date fixed in the order; and

(b) in the case of the cancellation of any other certificate, the matter that became effective upon the issuance of the certificate ceases to be in effect from the date fixed in the order.

34. (1) The French version of subsection 167 (1) of the Act is amended by striking out "par arrêté" and substituting "par ordonnance".

(2) The French version of subsection 167 (2) of the Act is amended by striking out "par arrêté" and substituting "par ordonnance".

(3) Subsection 167 (3) of the Act is amended,

(a) by striking out "on such terms and conditions as he or she sees fit to impose" in the English version and substituting "on such terms and conditions as the Commission sees fit to impose"; and

(b) by striking out "rétablir, par arrêté, la coopérative" in the French version and substituting "rétablir, par ordonnance, la coopérative" and by striking out "sous réserve des conditions de l'arrêté" in the French version and substituting "sous réserve des conditions de l'ordonnance".

35. Subsection 168 (2) of the Act is amended by striking out "on the records of the Ministry" and substituting "on the records of the Commission".

36. Clause 171.2 (2) (a) of the Act, as enacted by the Statutes of Ontario, 1992, chapter 19, section 23, is amended by striking out "the prescribed maximum annual percentage" at the end and substituting "the maximum annual percentage specified in the rules".

37. (1) Subsection 172 (3) of the Act is amended by striking out "on the records of the Ministry" and substituting "on the records of the Commission."

(2) Subsection 172 (4) of the Act is amended by striking out "whether before or after the time prescribed" at the end and substituting "whether before or after the time set out in this Act".

38. Subsection 173 (1) of the Act is amended by striking out "for the purposes of this Act or the regulations" and substituting "for the purposes of this Act, the regulations or the rules".

39. Subsection 174 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 42, is repealed and the following substituted:

Offences, failure to file

(1) Every person who fails to file with the Minister or the Commission any document that this Act, the regulations or rules requires to be filed with the Minister or the Commission is guilty of an offence and on conviction is liable to a fine of not more than $10,000 or, if the person is a corporation, to a fine of not more than $50,000.

40. (1) Subsection 176 (1) of the Act is repealed and the following substituted:

Offences, general

(1) Except where otherwise provided, every person who commits an act contrary to, or fails or neglects to comply with, any provision of this Act, the regulations or the rules or with any written undertaking given to the Commission is guilty of an offence and on conviction is liable to a fine of not more than $5,000 or, if the person is a corporation, to a fine of not more than $100,000.

(2) Section 176 of the Act is amended by adding the following subsections:

Information containing more than one offence

(3) An information laid in respect of an offence under this Act may be for one or more offences under this Act or under an Act that is part of the related legislation as defined in subsection 1 (1) of the *Ontario Financial Services Commission Act*, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

Trial by provincial judge

(4) The Commission or an agent of the Commission may, by notice to the clerk of the court having jurisdiction in respect of an offence under this Act, require that a provincial judge preside over the proceeding in respect of the offence.

41. (1) Subsection 179 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 45, is repealed and the following substituted:

Proof by affidavit

(1) The Minister or the Commission may require that any fact relevant to the performance of the duties of the Minister or the Commission, respectively, under this Act, the regulations or the rules be verified by affidavit or otherwise.

(2) Subsection 179 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 45, is repealed.

42. (1) Subsection 180 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 46, is further amended by striking out the portion before clause (a) and substituting the following:

Publication of notices

(1) The Commission shall cause notice to be published in *The Ontario Gazette*, or in such manner as may be determined by the Commission,

. . . . .

(2) The French version of clause 180 (1) (b) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 46, is further amended by striking out "un arrêté" and substituting "une ordonnance".

(3) Subsection 180 (2) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 46, is amended by striking out "published forthwith in *The Ontario Gazette*" and substituting "published in *The Ontario Gazette*, or in such manner as may be determined by the Commission".

43. Section 181 of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 3 and 1997, chapter 28, section 47, is repealed.

44. Section 182 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 48, is repealed.

45. Section 183 of the Act is repealed and the following substituted:

Notice of refusal to file

183. (1) Where the Minister or the Commission refuses to file any articles or any other document required by this Act to be filed by the Minister or the Commission before it becomes effective, the Minister or the Commission, as the case may be, shall give written notice to the person who delivered the articles or other document of the refusal, specifying the reasons therefor.

Deemed refusal

(2) Where, within six months after the delivery to the Minister or the Commission of articles or any other document referred to in subsection (1), the Minister or the Commission has not filed or refused to file such articles or other document, the Minister or the Commission, as the case may be, shall be deemed for the purposes of section 184 to have refused to file it.

46. (1) Subsection 184 (1) of the Act is amended,

(a) by striking out "a decision of the Minister" in the portion before clause (a) and substituting "a decision of the Minister or of the Commission"; and

(b) by striking out "un arrêté" in the French version of clause (d) and substituting "une ordonnance".

(2) Subsection 184 (2) of the Act is amended,

(a) by striking out "The Minister" at the beginning and substituting "The Minister or the Commission";

(b) by striking out "of the Minister" in the English version of clause (a); and

(c) by striking out "to the Minister" in the English version of clause (c).

(3) Subsections 184 (3), (4) and (5) of the Act are amended by striking out "the Minister" wherever it occurs and substituting in each case "the Minister or the Commission".

47. The Act is amended by adding the following section:

Commission rules

185.1 The Commission may make rules,

(a) specifying the maximum amount of premium that may be paid on the purchase for cancellation or the redemption of preference shares for the purpose of the definition of "premium" in subsection 30.1 (3);

(b) specifying the process for arbitration under subsection 32.1 (5) relating to the price of shares purchased for cancellation or redeemed;

(c) respecting the distribution of securities by means of offering statements, including rules,

(i) specifying the content of an offering statement,

(ii) respecting requirements for the use of offering statements,

(iii) respecting the disclosure of material facts in relation to securities to be distributed and disclosure material, including financial statements, reports and other documents to be included with an offering statement,

(iv) respecting requirements for the sale of securities by co-operatives, and

(v) providing for exemptions from requirements in respect of distributions of securities by means of offering statements;

(d) respecting material change statements, their use and content and specifying types of changes that do not constitute a material change for the purposes of the definition of "material change" in subsection 35 (6);

(e) specifying the manner in which shares of a co-operative may be transferred and specifying conditions and restrictions related to the transfer;

(f) defining "fair market value" for the purposes of subsection 56 (5);

(g) specifying shares that need not be purchased by a co-operative upon the withdrawal or expulsion of a member under clauses 64 (3) (a) and 64 (5) (a) and subsection 66 (6);

(h) defining "fair value" of member shares for the purposes of subsection 69 (3);

(i) respecting interest rates and dividends for the purposes of this Act, including specifying,

(i) the maximum annual percentage of interest that may be paid on member loans under subsections 49 (1) and 56 (4) and clause 57 (2) (a),

(ii) the maximum annual percentage of interest that a non-profit housing co-op may pay a member on loans under clause 171.2 (2) (a),

(iii) the methods by which percentages of interest mentioned in this Act shall be determined, including specifying a method that bases the percentages on the prime interest rate charged by a bank, trust corporation, or credit union identified in a co-operative's by-laws for that purpose, and

(iv) the maximum rate of dividend that may be paid on membership shares under subsection 58 (2);

(j) specifying the period of time within which any person who is required to take action in this Act or the rules shall take action;

(k) specifying classes of co-operatives;

(l) respecting the use of an electronic or computer-based system for the filing, delivery, deposit or issuing of,

(i) documents or information required under or governed by this Act or rules, and

(ii) documents determined by the regulations or rules to be ancillary to documents required under or governed by this Act or the rules;

(m) respecting methods of filing, delivery, deposit, inspection, storage, copying, recording or service to or by the Commission, co-operatives or others of documents, information, notices, books, records, things, reports, orders, authorizations or other communications required under or governed by Ontario financial services law as that term is defined in subsection 1 (1) of the *Ontario Financial Services Commission Act*;

(n) establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording or service of documents or information for any purpose under this Act;

(o) specifying the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under this Act;

(p) specifying any matter that is referred to in this Act as specified in or by the rules.

48. (1) Clause 186 (a.1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 17, section 29 and amended by 1997, chapter 19, section 3, is repealed.

(2) Clause 186 (b.1) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 17, section 29, is repealed.

(3) Clause 186 (b.2) of the Act, as enacted by the Statutes of Ontario, 1992, chapter 19, section 24, is repealed.

(4) Section 186 of the Act, as amended by the Statutes of Ontario, 1992, chapter 19, section 24, 1994, chapter 17, section 29, 1997, chapter 19, section 3 and 1997, chapter 28, section 49, is further amended by adding the following clause:

(e) respecting any matter in respect of which the Commission may make rules under section 185.1.

49. Section 187 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 19, section 3 and amended by 1999, chapter 12, Schedule I, section 1, is repealed and the following substituted:

Forms

187. The Commission may approve forms, including electronic forms, for any purpose of this Act and such information as is requested in the forms shall be provided by those using the forms.

50. The Act is amended by adding the following section:

Revocation of certificate for non-payment of fees

188. (1) If a corporation to which this Act applies does not pay the fee or assessment prescribed under the *Ontario Financial Services Commission Act*, the Commission may, in addition to any action it may take to collect the fee or assessment, revoke the corporation's certificate of incorporation issued under this Act.

Re-instatement

(2) The Commission may restore a certificate of incorporation revoked under subsection (1) to a corporation if the corporation pays the amount of the fee or assessment that is due.

SCHEDULE D

AMENDMENTS TO THE CREDIT UNIONS AND CAISSES POPULAIRES ACT, 1994

1. (1) The definition of "Commission" in section 1 of the *Credit Unions and Caisses Populaires Act, 1994*, as enacted by the Statutes of Ontario, 1997, chapter 28, section 52, is repealed and the following substituted:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) The definition of "Minister" in section 1 of the Act is repealed and the following substituted:

"Minister" means the Minister of Finance or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*. ("ministre")

(3) The definition of "prescribed" in section 1 of the Act is repealed and the following substituted:

"prescribed" means prescribed by the regulations unless the context indicates otherwise. ("prescrit")

(4) The definition of "regulatory capital" in section 1 of the Act is repealed and the following substituted:

"regulatory capital", when used with respect to a credit union, has the meaning given to that expression by the rules. ("capital réglementaire")

(5) The definition of "Superintendent" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 52, is repealed.

(6) The definition of "Tribunal" in section 1 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 52, is repealed.

(7) Section 1 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 52 and 1999, chapter 6, section 19, is further amended by adding the following definition:

"rules" means the rules made under this Act. ("règles")

(8) Section 1 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 52 and 1999, chapter 6, section 19, is further amended by adding the following subsection:

Rules

(2) A reference in this Act to the rules is deemed to include a reference to regulations authorized under section 317.

2. (1) Subsection 5 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "the Superintendent may, by order and on the terms specified in the order" and substituting "the Commission may, by order and on the terms specified in the order".

(2) Subsection 5 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Revocation of order

(3) The Commission may revoke the order if it believes that the credit union has failed to comply with a term set out in the order or that it is no longer appropriate to deem the corporate body in respect of which the order is made to be an affiliate.

3. Section 10 of the Act is repealed and the following substituted:

Delegation of Minister's powers

10. The Minister may delegate in writing any of his or her powers under this Act to an employee in the Ministry of Finance, to an agent of the Ministry or to the Commission.

4. (1) Subsection 14 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Contents of articles

(1) The articles of incorporation must set out the information specified in the rules in a form approved by the Commission.

(2) Subsection 14 (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

5. Section 15 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Application for incorporation

15. (1) An application to incorporate a credit union may be made by sending to the Minister two copies of the proposed articles of incorporation and two copies of the proposed by-laws of the credit union and by paying the fee prescribed under the *Ontario Financial Services Commission Act*.

Powers and duties of Commission

(2) The Minister shall direct the Commission to inquire into the circumstances, sufficiency and regularity of the articles and by-laws and the Commission may do the following before the Minister issues a certificate of incorporation:

1. Require the incorporators to provide such additional information as the Commission considers relevant to the application.

2. Require any matter set out in the articles or by-laws or in the additional information provided to the Commission to be verified under oath.

3. Require the articles or by-laws to be amended if the Commission considers that they are inconsistent with this Act or the rules.

6. Subsection 19 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53 and 1999, chapter 12, Schedule I, section 2, is further amended by striking out "Superintendent" and substituting "Commission".

7. Subsection 19.1 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

8. Subsection 20 (2) of the Act is repealed and the following substituted:

Exception

(2) Subsection (1) does not apply to persons or entities specified in the rules.

9. (1) Clause 21 (1) (b) of the Act is repealed and the following substituted:

(b) does not meet the requirements specified in the rules.

(2) Subsection 21 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before clause (a) and substituting "Commission".

(3) Subsection 21 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Exception for affiliates

(3) Clauses (1) (d) and (e) do not apply with respect to a credit union that is affiliated with another entity if the Commission is satisfied that the entity consents to it having a name substantially similar to the entity's name.

(4) Subsections 21 (4) and (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

10. Subsection 22 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1997, chapter 28, section 53, is repealed and the following substituted:

Reserving a name

(1) A person may reserve a corporate name for a period of 90 days or less by making application to the Commission in the form approved by the Commission and by paying the fee prescribed under the *Ontario Financial Services Commission Act*.

11. Subsection 27 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

12. (1) Subsections 30 (4) and (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Changing bond of association

(4) The Commission may approve an amendment to the by-laws changing the bond of association subject to such conditions as the Commission sees fit, if the Commission is satisfied that,

(a) the credit union is meeting prudential lending and investing standards and the capital adequacy and liquidity requirements set out in this Act and the rules; and

(b) the credit union is being operated in a satisfactory manner.

Information

(5) The credit union shall provide to the Commission such information as the Commission may request for the purposes of making a determination under subsection (4).

(2) Subsection 30 (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

13. Section 34 of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

14. Subsection 36 (3) of the Act is repealed.

15. Clauses 43 (1) (a) and (b) of the Act are repealed and the following substituted:

(a) the amount or part of the amount,

(i) that is on deposit in the name of the deceased or is for the membership shares of the deceased, and

(ii) that does not exceed the amount specified in the rules or determined under the rules; and

(b) the amount or part of the amount of any money that is received by the credit union under any policy of insurance on the life of the deceased that does not exceed the amount specified in the rules or determined under the rules,

.....

16. Subsections 48 (2) and (6) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

17. Subsection 52 (6) of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

18. Subsection 54 (6) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5, 1997, chapter 28, section 53 and 1999, chapter 12, Schedule I, section 2, is further amended by striking out "with the Superintendent articles of

amendment in the form approved by the Superintendent" and substituting "with the Commission articles of amendment in the form approved by the Commission".

19. Subsection 55 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed.

20. Subsection 59 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

21. (1) Subsection 61 (1) of the Act is amended by striking out the portion before clause (a) and substituting the following:

Holding own shares

(1) Except as otherwise permitted by this Act or by the rules, a credit union shall not,

.....

(2) Subsection 61 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

22. (1) Subsections 72 (3) and (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) Subsection 72 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Conditions for approval

(4) The Commission shall not approve the special resolution unless an application for the Commission's approval is made within three months after the resolution is passed and a copy of the resolution, together with a notice of intention to apply for approval, has been published in *The Ontario Gazette* or publicized in another manner directed by the Commission.

23. Clause 75 (1) (b) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

(b) the credit union has received a receipt under the *Securities Act* for a preliminary prospectus and for a prospectus respecting the offering of the securities.

24. (1) Subsection 77 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Offering statement

(1) Application for a receipt for an offering statement is made by filing with the Commission a copy of the offering statement and by paying the fee prescribed under the *Ontario Financial Services Commission Act.*

(2) Subsection 77 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Contents

(2) The offering statement must contain the information specified in the rules and must be in a form approved by the Commission.

(3) Subsection 77 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1999, chapter 12, Schedule I, section 2, is further amended by striking out "Superintendent" and substituting "Commission".

(4) Subsection 77 (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before clause (a) and substituting "Commission".

(5) Subsection 77 (6) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Examination

(6) Before issuing a receipt, the Commission may require the credit union to permit an examination of its affairs, at the credit union's expense, by a person authorized in writing by the Commission.

25. (1) Subsection 78 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out the portion before clause (a) and substituting the following:

Receipt for offering statement

(1) The Commission shall issue a receipt for an offering statement unless the Commission is of the opinion that,

..¼

(2) Subclause 78 (1) (a) (i) of the Act is repealed and the following substituted:

(i) fails to comply in a substantial respect with this Act , the regulations or the rules.

(3) Subsection 78 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before paragraph 1 and substituting "Commission".

(4) Subsection 78 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

26. Subsection 79 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Renewal of receipt

(1) An application for a renewal of the receipt for an offering statement is made by filing with the Commission a copy of the statement in a form approved by the Commission and by paying the fee specified in the rules.

27. (1) Subsections 80 (1), (2) and (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) The definition of "material change" in subsection 80 (6) of the Act is repealed and the following substituted:

"material change" does not include such types of change as may be specified in the rules.

28. (1) Clause 82 (3) (c) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(2) Clause 82 (3) (d) of the Act is amended by striking out "regulations" and substituting "rules".

(3) Subsection 82 (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5, 1997, chapter 28, section 53 and 1999, chapter 12, Schedule I, section 2, is further amended by striking out "Superintendent" in the portion before paragraph 1 and in paragraphs 1 and 2 wherever it occurs and substituting in each case "Commission".

29. (1) Subsection 83 (1) of the Act is amended by striking out "a prescribed person" and substituting "a person specified in the rules".

(2) Subsection 83 (2) of the Act is amended by striking out "the prescribed conditions" and substituting "the conditions specified in the rules".

30. Subsection 84 (2) of the Act is amended by striking out "regulations" and substituting "rules".

31. (1) Subsection 85 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before clause (a) and in clause (b) and substituting in each case "Commission".

(2) Subsection 85 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended,

(a) by striking out "Superintendent" in the portion before clause (a) and in clauses (b) and (c) and substituting in each case "Commission"; and

(b) by striking out "regulations" in the portion before clause (a) and in clause (a) and substituting in each case "rules".

(3) Subsection 85 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Opportunity to be heard

(3) The Commission shall not make an order under this section without giving the credit union an opportunity to be heard.

Conditions

(4) The Commission may attach such terms and conditions to its order as it considers appropriate.

32. Subsection 86 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Variation

(3) The Commission may grant the variation subject to any terms it considers appropriate if it considers that granting the variation is in the interest of the members of the credit union and that the credit union will meet the requirements under section 84 within a reasonable time.

33. Section 87 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 56, is repealed.

34. Section 88 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

35. Section 89 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Report on adequacy

89. A credit union shall provide a report concerning its compliance with section 84, in a form approved by the Commission, to the persons and at the times required by the Commission.

36. Section 90 of the Act, as amended by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Reserves

90. A credit union shall make monthly provision for doubtful loans and establish reserves as specified in the rules.

37. Paragraph 11 of subsection 92 (1) of the Act is repealed and the following substituted:

11. One who does not complete a training program specified in the rules, as may be required by the rules.

38. (1) Subsection 101 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(2) Subsection 101 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Request for information

(2) The Commission may require the credit union to provide such information and material as the Commission considers necessary to decide upon the fitness of an individual to be a director and the credit union shall do so within 20 days after the request is made.

(3) Subsection 101 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(4) Subsection 101 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Vacancy declared

(4) The Commission may declare the director's position vacant after the hearing if the Commission determines that the director is not fit to hold office.

39. Subsection 102 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

40. (1) Subsection 103 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Request for information

(2) The Commission may require the director to provide such information concerning the resignation as the Commission may direct and the director shall provide the information promptly.

(2) Subsections 103 (3) and (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

41. Subsection 104 (1) of the Act is amended by striking out "the regulations" and substituting "the regulations, the rules".

42. Subsections 105 (2), (3), (4) and (5) of the Act are repealed and the following substituted:

Same

(2) Subject to this Act and the rules, the board shall pass by-laws governing matters specified in the rules, if the matters are not provided for by this Act or the rules and are not set out in the articles.

Limitation

(3) By-laws that are contrary to this Act, the rules or the articles of the credit union are void.

Same

(4) By-laws that relieve a person of obligations or requirements under this Act or the rules are void.

Restrictive by-laws

(5) A by-law may impose greater restrictions in respect of a matter than are imposed under this Act or the rules.

43. Subsection 107 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

44. (1) Subsection 108 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Restriction, directors' remuneration

(1) The Commission may make an order restricting the amount of remuneration payable to the directors of a credit union if the Commission is of the opinion that the amount of remuneration otherwise payable is excessive in the circumstances.

(2) The French version of subsection 108 (2) of the Act is amended by striking out "L'ordre" and substituting "L'ordonnance".

45. Section 113 of the Act is repealed and the following substituted:

Training program

113. Every member of a credit committee must successfully complete a training program specified in the rules, as required by the rules.

46. Section 120 of the Act is repealed and the following substituted:

Reports by committee

120. (1) The credit committee shall report to the board at such intervals as may be specified in the rules and the report must contain such information as may be specified in the rules.

Same

(2) The committee shall report to the membership of the credit union at the annual meeting by a report containing such information as may be specified in the rules.

47. Subsection 121 (1) of the Act is repealed and the following substituted:

Duties of committee

(1) The credit committee shall consider all applications for loans to members of the credit union and shall perform such additional duties as may be imposed under this Act, the rules or the by-laws.

48. Subsection 123 (3) of the Act is repealed and the following substituted:

Reports

(3) A person authorized to approve loans shall give a written report to the credit committee at such intervals as may be specified in the rules, containing such information as may be specified in the rules.

49. Section 128 of the Act is repealed and the following substituted:

Training program

128. Every member of an audit committee shall successfully complete a training program specified in the rules, as may be required by the rules.

50. Subsection 134 (2) of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

51. Section 137 of the Act is repealed and the following substituted:

General

137. The audit committee has such duties as are set out in this Act, the rules and the by-laws.

52. (1) Subsection 138 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before paragraph 1 and substituting "Commission".

(2) Paragraph 2 of subsection 138 (1) of the Act is amended by striking out "this Act, the regulations" and substituting "this Act, the regulations, the rules".

53. Subsection 140 (2) of the Act is amended by striking out "this Act, the regulations" and substituting "this Act, the rules".

54. Clause 143 (2) (d) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

55. (1) Subsection 145 (1) of the Act is amended by striking out "the regulations made under it" and substituting "the regulations, the rules".

(2) Subsection 145 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

56. Subsection 151 (2) of the Act is repealed and the following substituted:

Amount of bond

(2) The bond must be in an amount that is not less than any minimum that may be specified in the rules.

57. Clause 154 (2) (b) of the Act is repealed and the following substituted:

(b) an amount equal to the value of the loss suffered by the credit union as a result of any transaction contrary to Part IX or the rules.

58. The following provisions of the Act are amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission":

1. **Subsections 158 (2) and (4), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**
2. **Subsection 159 (4), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**
3. **Section 165, as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**
4. **Subsection 166 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**
5. **Subsection 169 (7), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**
6. **The portion of subsection 171 (1) preceding clause (a), clause 171 (1) (a) and subsections 171 (2), (3), (4), (5) and (6), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**

59. (1) Clause 172 (2) (c) of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the rules".

(2) Clause 172 (4) (d) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

60. Section 173 of the Act is amended by striking out "prescribed" in the portion before paragraph 1 and substituting "the rules".

61. (1) Subsection 174 (1) of the Act is amended by striking out "regulations" and substituting "rules".

(2) Subsection 174 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent's" and substituting "Commission's".

(3) Subsection 174 (3) of the Act is amended by striking out "regulations" and substituting "rules".

(4) Subsection 174 (4) of the Act is repealed and the following substituted:

Networking

(4) Subject to this Act, a credit union may act as an agent for a subsidiary or other persons or entities specified in the rules in respect of the provision of services to the credit union's members, depositors, affiliates and other subsidiaries and refer members, depositors, affiliates or subsidiaries to one of its subsidiaries or persons or entities specified in the rules.

62. Subsection 175 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

63. Subsection 176 (1) of the Act is amended by striking out "regulations" and substituting "rules".

64. Section 177 of the Act is amended by striking out "regulations" and substituting "rules".

65. (1) Subsection 178 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(2) Subsection 178 (3) of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

(3) Subsection 178 (4) of the Act is repealed and the following substituted:

Limit on amount

(4) The aggregate value of a credit union's guarantees together with those of its subsidiaries must not exceed an amount equal to the percentage of the regulatory capital and deposits of the credit union specified in the rules.

(4) Subsection 178 (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(5) Subsection 178 (7) of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

66. Clause 180 (k) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

67. (1) Subsection 182 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent's" and substituting "Commission's".

(2) Subsection 182 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended,

(a) by striking out "Superintendent" in the portion before clause (a) and substituting "Commission"; and

(b) by striking out "regulations" in clause (b) and substituting "rules".

(3) Subsection 182 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent's" wherever it occurs and substituting in each case "Commission's".

68. (1) Subsection 183 (1) of the Act is amended by striking out "regulations" and substituting "rules".

(2) Subsection 183 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

69. Section 184 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

70. (1) Clause 185 (1) (c) of the Act is amended by striking out "prescribed person or entity" and substituting "person or entity specified in the rules".

(2) Subsection 185 (2) of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

(3) Subsection 185 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(4) Subsection 185 (5) of the Act is repealed and the following substituted:

Exceptions

(5) Subsections (1) and (4) and section 184 do not apply,

(a) to the pledging of classes of personal property that are specified in the rules; and

(b) to property with an aggregate value less than an amount specified in the rules.

(5) The definition of "restricted party" in subsection 185 (6) of the Act is amended by striking out "regulations" and substituting "rules".

71. Subsection 186 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

72. Section 187 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Limit imposed by Commission

187. (1) The Commission may inquire into the borrowing of a credit union and may limit, by an order served on the board, the credit union's authority to borrow more money.

Reasons to be given

(2) The Commission shall set out the reasons, in the order, for the limit.

Effect

(3) The credit union shall not exercise its borrowing power in excess of the limit set out in the order issued by the Commission.

73. Section 188 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

74. Subsection 191 (2) of the Act is repealed and the following substituted:

Requirements

(2) The policies and procedures must meet the requirements specified in the rules and must include such standards, conditions and restrictions as may be specified in the rules.

75. Section 192 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Changes required by Commission

192. The Commission may order the board of a credit union to revise its investment and lending policies and procedures if the Commission considers, on reasonable grounds, that the policies or procedures do not meet the requirements of this Act or the rules or are otherwise deficient.

76. Section 193 of the Act is amended by striking out "regulations" and substituting "rules".

77. Clause 194 (3) (b) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

78. (1) Subsection 195 (1) of the Act is repealed and the following substituted:

Lending limits

(1) A credit union shall not make loans in excess of such lending limits as may be specified in the rules.

(2) Subsection 195 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Variation

(2) On application by a credit union, the Commission may grant a variation from a lending limit specified in the rules on such terms as the Commission may require if the Commission is satisfied that there are reasonable grounds to increase or decrease the lending limit.

79. (1) Subsection 196 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended,

(a) by striking out "Superintendent" and substituting "Commission"; and

(b) by striking out "the applicable fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(2) Subsections 196 (2), (3) and (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Power to issue licence

(2) The Commission may issue to a credit union a lending licence containing such conditions and restrictions as the Commission considers appropriate in the circumstances.

Revocation of licence

(3) The Commission may amend or revoke a lending licence if the credit union fails to comply with the licence or with a provision of this Act, the regulations or the rules.

Lower lending limits

(4) The Commission may lower a credit union's lending limit if the Commission believes on reasonable grounds that its current lending limits may adversely affect the interests of members, depositors or shareholders.

80. Subsection 197 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended,

(a) by striking out "Superintendent" and substituting "Commission"; and

(b) by striking out "regulations" and substituting "rules".

81. The definition of "cost of borrowing" in section 197.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is amended by striking out "prescribed by the regulations" in clause (d) and in the portion after clause (d) and substituting in each case "specified by the rules".

82. (1) Subsection 197.2 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is amended by striking out "regulations" and substituting "rules".

(2) Subsection 197.2 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Limitation

(3) For the purposes of subsection (2) and the rules made for the purposes of sections 197.2 to 197.9, the cost of borrowing for a loan does not include the interest or discount applicable to the loan.

83. Section 197.3 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Disclosure of cost of borrowing

197.3 (1) A credit union shall not make a loan to a natural person unless the cost of borrowing and any other information specified in the rules for the purposes of this section have been disclosed by the credit union to the person.

Same

(2) For the purposes of disclosure required by subsection (1), the cost of borrowing,

(a) must be calculated on the basis that all obligations of the borrower are duly fulfilled;

(b) must be calculated in accordance with the rules;

(c) must be expressed as a rate per annum; and

(d) where required by the rules, must be expressed as an amount in dollars and cents.

84. Paragraphs 6, 7 and 8 of section 197.4 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, are repealed and the following substituted:

6. Particulars of any change specified in the rules relating to the loan agreement or the cost of borrowing for the loan.

7. Particulars of any rights or obligations of the borrower specified in the rules for the purposes of this section.

8. Any other information specified by the rules for the purposes of this section.

85. Section 197.5 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is amended by striking out "prescribed by the regulations" and substituting "specified by the rules".

86. Paragraphs 3, 4 and 5 of section 197.6 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, are repealed and the following substituted:

3. Particulars of any change specified in the rules relating to the loan agreement or the cost of borrowing for any loan obtained through the use of the card.

4. Particulars of any rights or obligations of the person specified by the rules for the purposes of this section.

5. Any other information specified by the rules for the purposes of this section.

87. Paragraphs 3, 4 and 5 of subsection 197.7 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, are repealed and the following substituted:

3. Particulars of any change specified in the rules relating to the arrangement or the cost of borrowing under the arrangement.

4. Particulars of any rights or obligations of the person specified by the rules for the purposes of this section.

5. Any other information specified by the rules for the purposes of this section.

88. Section 197.8 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is amended by striking out "prescribed by the regulations" and substituting "specified by the rules".

89. (1) Clause 197.9 (1) (b) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is amended by striking out "prescribed matter" and substituting "matter specified by the rules".

(2) Subsection 197.9 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Same

(2) No person shall authorize any advertisement described in subsection (1) unless,

(a) the advertisement contains the information specified in the rules; and

(b) the advertisement is in a form or carried out in a manner specified in the rules.

90. Section 197.10 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is repealed.

91. (1) Subsection 198 (1) of the Act is amended by striking out "prescribed" and substituting "specified in the rules".

(2) Subsection 198 (2) of the Act is amended by striking out "a prescribed amount and subject to prescribed conditions" and substituting "an amount specified in the rules and complies with any conditions specified in the rules".

(3) Clauses 198 (3) (a) and (b) of the Act are repealed and the following substituted:

(a) enlarge the authority conferred under this Act or the rules to invest in mortgages or to lend on the security of real estate;

(b) affect the limits established under this Act or the rules on investments in real estate; or

.....

92. (1) Subsection 199 (1) of the Act is repealed and the following substituted:

Restriction re single investment

(1) A credit union shall not directly or indirectly invest, by way of purchases from or loans to one person or more than one person that, to its knowledge, are connected persons, an amount exceeding the percentage of its regulatory capital and deposits that is specified in the rules.

(2) Subsection 199 (2) of the Act is amended by striking out "prescribed person or entity" and substituting "person or entity specified in the rules".

(3) The definition of "connected persons" in subsection 199 (3) of the Act is amended by striking out "regulations" and substituting "rules".

93. (1) Subsections 200 (1), (2), (3), (4) and (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Investment in subsidiaries

(1) With the approval of the Commission, a credit union may establish or acquire subsidiaries that are institutions or corporations specified in the rules.

Similar activities

(2) On written application by a credit union, the Commission may, by order and on such conditions as are specified in the order, deem a corporation named in the order to be, for all purposes of this Act, an institution or corporation specified as a subsidiary in the rules if its activities are substantially similar to those of an institution or corporation referred to in subsection (1).

Conditions

(3) An investment is subject to such conditions and restrictions as may be specified in the rules and to such additional conditions as the Commission may impose.

Anti-avoidance

(4) The Commission shall refuse to approve an investment if the Commission considers that the investment is made primarily for the purposes of allowing the credit union to avoid the limits under this Act or the rules on its investments.

Revocation of approval

(5) The Commission may revoke its approval of an investment in a subsidiary,

(a) if the credit union has failed to comply with the conditions and restrictions applicable to the investment; or

(b) if the subsidiary ceases to be an institution or corporation described in subsection (1).

(2) The French version of subsection 200 (6) of the Act is amended by striking out "l'ordre" and substituting "l'ordonnance".

(3) Subsection 200 (7) of the Act is repealed and the following substituted:

Restriction

(7) The total book value of investments under this section held by the credit union and of guarantees by the credit union of the obligations of its subsidiaries must not exceed the percentage of the regulatory capital and deposits of the credit union that is specified in the rules.

94. Section 201 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

95. (1) Subsections 202 (1) and (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) Subsection 202 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Exception

(3) The Commission may relieve the credit union of the obligation to divest itself of the securities or other assets if the Commission is satisfied that they are not inferior in status or value to the securities for which they have been substituted.

96. Subsection 203 (4) and clause 203 (9) (b) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

97. Section 204 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Commission's approval

204. The Commission may refuse to approve an agreement by a credit union to transfer all or a substantial portion of its assets if the Commission considers that the proposed transfer is contrary to the interest of a credit union that is a party to the agreement or to any of its members.

98. Section 205 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Directed transfer

205. If a credit union is under the supervision of a stabilization authority, the Commission may, on the application of the stabilization authority, order the credit union to transfer all or substantially all of its assets if the stabilization authority demonstrates that such a transfer would,

(a) protect the interests of the credit union's depositors or members; or

(b) protect the financial security and integrity of the credit union.

99. Section 207 of the Act is amended by striking out "regulations" and substituting "rules".

100. Section 209 of the Act is repealed.

101. Section 210 of the Act is amended by striking out "regulation" and substituting "rules".

102. (1) Subsection 213 (1) of the Act is amended by striking out "matters prescribed" in the portion before clause (a) and substituting "such matters as may be specified in the rules".

(2) Subsection 213 (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(3) Subsection 213 (8) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Accepted principles

(8) Except as otherwise permitted or required by the Commission, the financial statements must be prepared in accordance with generally accepted accounting principles for which the primary source is the Handbook of the Canadian Institute of Chartered Accountants.

103. Subsection 217 (6) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

104. (1) Subsection 220 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(2) Subsection 220 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Attendance by Commission designate

(2) A person designated by the Commission may attend and be heard at the meeting.

105. The following provisions of the Act are amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission":

1. **Section 225, as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**

2. **Subsections 226 (1), (2), (3) and (4), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.**

106. Sections 227, 228 and 229 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Inspection

227. (1) The Commission may designate one or more persons for the purposes of this section.

Duties

(2) On the request of the Commission, a designated person may enter the offices of any credit union at a reasonable time and inspect and examine its affairs.

Access to books, records, etc.

(3) The designated person is entitled to access to all books, records and other documents of a credit union.

Answering questions

(4) Every director, officer and employee of a credit union shall provide to the designated person such information as the designated person considers necessary to,

(a) ascertain the ability of the credit union to provide for the payment of its liabilities as they become due; and

(b) determine whether the credit union has complied with this Act, the regulations, the rules, an order of the Commission, an order of the stabilization authority for the credit union or an order of the deposit insurer.

Inspection report

(5) The designated person shall report the results of the inspection to the Commission.

Insolvency

(6) If the Commission believes that a credit union is unable to provide for the payment of its liabilities as they become due, the Commission shall immediately notify, in writing, the deposit insurer and stabilization authority for the credit union of the problem.

Material to be furnished

(7) For the purposes of this section,

(a) a credit union shall prepare and submit to the Commission such statements with respect to its business, finances or other affairs as the Commission requires; and

(b) the Commission may require the directors, officers and auditor of a credit union and the stabilization authority for the credit union to provide information and explanations, to the extent that they are reasonably able to do so, in respect of the condition and affairs of the credit union or any entity in which the credit union has an investment.

Seizure of documents and records

228. In the course of any inspection, a person designated under section 227 may seize and take possession of any documents, records or securities of the credit union for purposes of copying the material.

107. (1) Paragraph 5 of subsection 231 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(2) Subsection 231 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Other location

(3) If the Commission orders that documents or registers of a credit union be kept at a place other than the credit union's head office, they shall be kept at that other place.

108. Subsection 233 (2) of the Act is amended by striking out "a prescribed amount" and substituting "an amount specified in the rules".

109. (1) Subsection 234 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Commission's order

(1) The Commission may order anything set out in subsection (2) if, in the Commission's opinion, any person is doing anything that,

(a) is in contravention with this Act, the regulations or the rules;

(b) might reasonably be expected, if continued, to result in a contravention of this Act, the regulations or the rules; or

(c) constitutes a practice that might prejudice or adversely affect the interest of a member, depositor or shareholder of a credit union.

(2) The French version of subsection 234 (2) of the Act is amended by striking out the portion before clause (a) and substituting the following:

Ordonnance

(2) Il peut être ordonné à quiconque :

.....

(3) Subsection 234 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Notice by Commission

(3) Before making an order, other than an interim order, the Commission shall give notice to the person of its intention to make the order.

(4) Subsection 234 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(5) Subsections 234 (5), (6) and (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Interim order

(5) The Commission may make an interim order without notice if it believes that the interests of the members, depositors or shareholders are prejudiced or adversely affected by a delay in making an order under subsection (2) and shall send a copy of the interim order to the person.

Same

(6) An interim order comes into effect at the time it is made and becomes final 15 days after it is made unless a written request for a hearing is received by the Commission within 15 days after the order is made.

Hearing

(7) The Commission shall hold a hearing if a written request for a hearing is received by the Commission from any person within 15 days after,

(a) the person receives the notice under subsection (3); or

(b) an interim order is made.

When order may be made

(8) If no person requests a hearing after the Commission gives notice under subsection (3) or if a hearing is held and the Commission is of the opinion that an order described in subsection (2) should be made, the Commission may make an order to take effect immediately or at such later date as the Commission specifies in the order.

Deferring order

(9) If a hearing is requested within 15 days after an interim order is made, the Commission may defer compliance with the interim order until the hearing is concluded.

Terms and conditions

(10) The Commission may attach such terms and conditions to an interim or final order as it considers appropriate.

Parties

(11) The person who requests the hearing and such other persons as the Commission may specify are parties to proceedings before the Commission under this section.

Distribution of order

(12) A copy of each interim and final order made under this section in respect of a credit union must be sent to each director of the credit union, to the deposit insurer and to the stabilization authority of the credit union.

110. Section 235 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, and section 236 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 57, are repealed.

111. (1) Subsections 237 (1) and (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Disposal of unauthorized investments

(1) The Commission may order a credit union to dispose of and realize any of its investments not made or held in accordance with this Act, the rules or its by-laws.

Time limit

(2) The credit union shall, within 60 days after receiving an order under subsection (1) or within such other time as determined by the Commission, absolutely dispose of and realize the investments.

(2) Clauses 237 (4) (b) and (5) (b) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

112. (1) Subsections 238 (1) and (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Call of unauthorized loans

(1) The Commission may order a credit union to call any loan it has made that is not authorized by this Act, the rules or its by-laws.

Time limit

(2) The credit union shall, within 60 days after receiving an order under subsection (1) or within such other time as determined by the Commission, call the loan, if possible.

(2) Clauses 238 (4) (b) and (5) (b) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

113. Section 239 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

More than fair value

239. If it appears to the Commission from an examination of the condition and affairs of a credit union that the assets are shown on the annual return mentioned in section 226 at an amount greater than the fair value, the Commission may require the credit union to set aside, out of earnings, such additional provisions as the Commission considers necessary.

114. Section 240 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Suspension of business

240. (1) The Commission may order a credit union to discontinue doing business for such time as it determines if, after an inspection, the Commission is satisfied that the continuance in business of the credit union is not in the interest of members, depositors or shareholders.

Report

(2) The Commission shall report forthwith to the deposit insurer and stabilization authority for the credit union when an order is made under subsection (1) and the reasons for the order.

115. (1) Clause 241 (3) (d) of the Act is repealed and the following substituted:

(d) provide such other services as may be specified in the rules.

(2) Subsection 241 (5) of the Act is repealed and the following substituted:

General business

(5) A league may carry on business consistent with its objects through one or more entities that are specified as subsidiaries in the rules.

116. Clause 242 (1) (c) and subsection 242 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

117. Section 244 of the Act is amended by striking out "regulations" and substituting "rules".

118. Section 245 of the Act is repealed and the following substituted:

Members

245. Subject to the rules, entities that are specified in the rules and credit unions may be members of a league.

119. The following provisions of the Act are amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission":

1. **Subsection 256 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 53, and subsection 256 (2), as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1999, chapter 12, Schedule I, section 2.**

2. Subsections 257 (1) and (2).

3. Section 258.

4. Section 259.

5. Clauses 262 (1) (r) and (u), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.

6. Clause 270 (2) (b), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.

7. Subsection 273 (3), as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1999, chapter 12, Schedule I, section 2.

8. Subsection 274 (5), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.

9. Subsection 275 (3), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.

10. Subsection 279 (2) and clauses 279 (3) (b) and (c), as amended by the Statutes of Ontario, 1997, chapter 28, section 53.

11. Section 280, as amended by the Statutes of Ontario, 1997, chapter 28, section 53.

120. Clause 281 (2) (a) of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the rules".

121. (1) Subsection 283 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 58, is further amended by striking out "Tribunal" in the portion before clause (a) and substituting "Commission".

(2) The French version of clause 283 (4) (a) of the Act is amended by striking out "celle-ci" and substituting "la Société".

(3) Subsection 283 (4.1) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 58, is amended by striking out "Tribunal" and substituting "Commission".

(4) Subsections 283 (5) and (6) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 58, are further amended by striking out "Tribunal" wherever it occurs and substituting in each case "Commission".

122. (1) Subsections 285 (1) and (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Supervision by stabilization authority

(1) If requested by a stabilization authority, the Commission shall order a credit union subject to the supervision of the stabilization authority.

Same

(2) The Commission may order a credit union subject to the supervision of a stabilization authority named in the order in any of the following circumstances:

1. The credit union asks, in writing, that it be subject to supervision.

2. The credit union is not in compliance with prescribed capital or liquidity requirements.

3. The Commission has reasonable grounds for believing that the credit union is conducting its affairs in a way that, reasonably, might be expected to harm the interests of members or depositors or that tends to increase the risk of claims against the deposit insurer.

4. The credit union or an officer or director of it does not file, submit or deliver a report or document required to be filed, submitted or delivered under this Act within the time limited under this Act.

5. The credit union did not comply with an order of the Commission issued under Part XII.

6. The credit union is not complying with its own investment and lending policy.

(2) Subsections 285 (4) and (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are repealed and the following substituted:

Release

(4) The credit union remains subject to supervision by a stabilization authority until,

(a) the credit union is being wound up or placed under administration; or

(b) the Commission orders that the credit union is released from supervision.

Grounds for order

(5) The Commission may make an order under clause (4) (b) on the application of a stabilization authority, on the application of the credit union or on the Commission's own initiative if there are reasonable grounds for believing that the credit union is no longer in need of supervision.

Notify Corporation

(6) The Commission shall send a copy of each order made under this section to the Corporation.

123. Section 286 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 59, is repealed and the following substituted:

Hearing

286. (1) A credit union that is the subject of an order under section 285 or a stabilization authority for the credit union may request a hearing before the Commission by sending to the Commission a written request within 15 days of receiving a copy of the order.

Deferring compliance

(2) If a hearing is requested, the Commission may defer compliance with the order until the hearing is concluded and the order is confirmed, varied or revoked.

Notify Corporation

(3) The Commission shall send to the Corporation a copy of all final orders, as confirmed or varied under this section.

124. Subsection 287 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Powers of stabilization authority

(1) A stabilization authority has the following powers:

1. To supervise a member credit union when asked by the credit union or pursuant to a supervision order issued by the Commission.

2. To establish and maintain a stabilization fund for the benefit of its members.

3. To make conditional loans or advances out of a stabilization fund to credit unions.

4. To inspect or examine credit unions when asked to by the Commission or the Corporation.

5. For purposes of the stabilization authority, to examine the affairs of its credit unions.

6. To accept and exercise powers delegated to it by the Corporation.

7. With the Corporation's approval, to delegate any of its powers to agents.

8. To collect information from member credit unions for purposes of the stabilization authority.

9. To share information concerning a credit union under its authority with the deposit insurer, the Commission, the credit union's auditor and the provider of data processing services to the credit union.

10. To incorporate a subsidiary to carry out its responsibilities as a stabilization authority.

125. Clause 288 (1) (c) and subsection 288 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

126. (1) The French version of clause 289 (1) (a) of the Act is amended by striking out "l'ordre" and substituting "l'ordonnance".

(2) Subsection 289 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

127. (1) Paragraph 2 of subsection 292 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(2) Subsection 292 (5) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 60, and subsections 292 (6) and (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 61, are further amended by striking out "Tribunal" wherever it occurs and substituting in each case "Commission".

128. Clauses 293 (b) and (c) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

129. Subsections 294 (3), (4), (5), (6), (7), (8), (9) and (10) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 61, are further amended by striking out "Tribunal" wherever it occurs and substituting in each case "Commission".

130. (1) Subsection 297 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Dissolution where no assets

(1) A credit union that has no assets and no liabilities may, if authorized by a special resolution of the members, apply to the Commission for an order dissolving the credit union.

(2) Subsection 297 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Order to disolve

(2) The Commission may issue an order dissolving the credit union on receipt of an application under subsection (1) if the Commission is satisfied that a dissolution is appropriate.

(3) The French version of subsection 297 (3) of the Act is repealed and the following substituted:

Idem

(3) La caisse à l'égard de laquelle une ordonnance est rendue en vertu du paragraphe (2) cesse d'exister le jour que l'ordonnance précise.

131. (1) Subsection 298 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Voluntary winding up

(1) If the voluntary liquidation and dissolution of a credit union is proposed, the credit union may apply to the Commission for an order dissolving the credit union.

(2) Clause 298 (6) (a) and subsection 298 (8) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking

out "Superintendent" wherever it occurs and substituting in each case "Commission".

(3) Subsection 298 (15) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5, 1997, chapter 28, section 53 and 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Liquidator to file with Commission

(15) Within 60 days after appointment, the liquidator shall prepare for and file with the Commission, in a form approved by the Commission, a statement of the assets and liabilities of the credit union.

(4) Subsection 298 (21) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1999, chapter 12, Schedule I, section 2, is further amended by striking out "Superintendent" and substituting "Commission".

(5) Subsection 298 (24) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Extension of time

(24) The Commission may, by order, extend the time for filing any documents required to be filed under this section if the Commission is satisfied that an extension is appropriate.

132. Subsection 299 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5, 1997, chapter 28, section 53 and 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Liquidator's account

(1) When a meeting to consider a liquidator's account and report is held, the liquidator shall do the following:

1. Within 10 days after the meeting, the liquidator shall file a notice with the Commission in a form approved by the Commission stating that the meeting was held and its date.

2. As soon as reasonably possible after the meeting, the liquidator shall publish the notice in *The Ontario Gazette* or shall give notice to the public in another manner directed by the Commission.

133. (1) Subclause 300 (2) (c) (i), clause 300 (2) (d) and subsections 300 (4) and (11) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53,

are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) Subsection 300 (10) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Notice of appointment

(10) A liquidator appointed by the court shall do the following immediately after his or her appointment:

1. He or she shall give notice to the Commission of the court order respecting the winding-up.
2. He or she shall publish notice of the appointment in *The Ontario Gazette* or shall give notice to the public in another manner directed by the Commission.

(3) Subsection 300 (20) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Notice to Commission

(20) The person on whose application the order is made shall file with the Commission a certified copy of the order within 10 days after it is made.

Notice of dissolution

(21) The Commission shall publish a notice of the dissolution in *The Ontario Gazette* or shall give notice to the public of the order for the dissolution of the credit union in another manner.

134. (1) Subsection 301 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Dissolution by Commission

(1) The Commission, after giving a credit union the opportunity to be heard, may by order dissolve the credit union if the Commission is satisfied that,

(a) the credit union's incorporation was obtained by fraud or mistake;

(b) the credit union exists for an illegal purpose;

(c) the number of its members is reduced to fewer than 20;

(d) it is not carrying on business or is not in operation; or

(e) it has contravened this Act, the regulations or the rules.

(2) Subsection 301 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

(3) Subsection 301 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Notice of dissolution

(4) The Commission shall publish notice of the dissolution in *The Ontario Gazette* or shall give notice to the public of the dissolution of the credit union in another manner.

135. (1) Clauses 307 (3) (a) and (9) (a) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) Subsection 307 (10) of the Act is repealed.

136. Section 308 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" and substituting "Commission".

137. (1) Subsections 309 (3), (4), (5) and (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) Subsection 309 (8) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, is repealed and the following substituted:

Articles of amalgamation filed, application for certificate

(8) If the agreement is adopted, the amalgamating credit unions shall file with the Commission articles of amalgamation in a form approved by the Commission and may apply jointly to the Minister for a certificate of amalgamation.

138. Section 313 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before clause (a) and substituting "Commission".

139. Subsection 314 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1997, chapter 28, section 53, is repealed and the following substituted:

Certificate of amendment

(1) If the articles of amendment comply with this Act and the rules and if all fees prescribed under the *Ontario Financial Services Commission Act* are paid, the Commission shall,

(a) endorse on each duplicate of the articles of amendment the word "Filed/Déposé" and the day, month and year the articles are filed;

(b) file one of the duplicates in the Commission's offices; and

(c) issue to the credit union or its agent a certificate of amendment with the other duplicate of the articles of amendment affixed.

140. (1) Subsection 315 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" in the portion before clause (a) and substituting "Commission".

(2) Subsection 315 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5 and 1997, chapter 28, section 53, is repealed and the following substituted:

Certificate of restatement

(3) If the restated articles of incorporation comply with this Act and the rules and if all fees prescribed under the *Ontario Financial Services Commission Act* are paid, the Commission shall,

(a) endorse on each duplicate of the restated articles the word "Filed/Déposé" and the day, month and year the restated articles are filed;

(b) file one of the duplicates in the Commission's offices; and

(c) issue to the credit union or its agent a restated certificate of incorporation with the other duplicate of the restated articles affixed.

141. The heading to Part XVI of the Act is repealed and the following substituted:

PART XVI
REGULATIONS AND RULES

142. Paragraphs 3, 4, 5, 6, 8, 10, 12, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 and 25 of subsection 317 (1) of the Act, paragraph 26 of subsection 317 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 2, paragraph 27 of subsection 317 (1) of the Act and paragraph 29 of subsection 317 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5, are repealed and the following substituted:

3. respecting any matter in respect of which the Commission may make rules under section 317.1.

143. The Act is amended by adding the following section:

Rules

317.1 The Commission may make rules,

1. governing applications for incorporation of credit unions, including,

i. specifying information to be provided in articles of incorporation,

ii. requirements and restrictions regarding the use of names, and

iii. specifying conditions of membership;

2. respecting the business activities of credit unions, including,

i. the relationship between credit unions and entities that undertake the business of insurance, insurance agents or insurance brokers,

ii. specifying a credit union's permitted fiduciary activities,

iii. procedures prohibiting or restricting the sale by credit unions of a product or service on condition that another product or service is acquired from any person,

iv. rules governing networking, generally, and prohibiting or restricting networking arrangements,

v. rules restricting the powers of credit unions in dealing in goods or in engaging in trades or businesses,

vi. the operations and powers of branches of credit unions,

vii. rules restricting levels of borrowing by a credit union and imposing conditions relating to borrowing,

viii. matters relating to guarantees, including the maximum aggregate value of guarantees credit unions and their subsidiaries may give, and

ix. matters relating to the pledging of assets as security;

3. relating to the duties of the board of directors of a credit union, including rules specifying the matters that must be the subject of a by-law of the board of directors;

4. in respect of training programs, including,

i. establishing training programs,

ii. specifying the subject-matter and nature of the programs,

iii. specifying the classes of persons, by occupation, experience or function, required to successfully complete the programs, and

iv. specifying the time at which or within which each class of person is required to complete the programs;

5. specifying matters relating to the duties and functions of audit committees, including specifying the information to be provided in reports of the audit committee;

6. specifying matters relating to the duties and functions of credit committees;

7. specifying requirements relating to membership share certificates;

8. respecting the holding of a first meeting of a credit union, the notice calling the meeting, the quorum, and the business to be transacted at the meeting;

9. specifying matters to be shown in financial statements under subsection 213 (1);

10. specifying the records, papers and documents a credit union must retain and the required retention period for each type of record, paper or document;

11. specifying the discretionary authorities that may be conferred in proxies and excluding the application of similar provisions in regulations made under Part VIII of the *Business Corporations Act*;

12. specifying limits for the bonding of and insurance coverage for directors, officers, agents and employees of a credit union and for the property of a credit union and specifying the minimum amount of the bond required for officers and employees under subsection 151 (1);

13. specifying procedures for membership voting, including rules relating to mail-balloting, balloting in each branch and balloting by electronic means;

14. governing the procedure for the winding-up of a credit union;

15. specifying standards, conditions and restrictions relating to the investment and lending policies and procedures of a credit union;

16. specifying requirements in respect of lending, including rules relating to,

i. classes of loans,

ii. classes of lending licences, lending licences and the duration of licences,

iii. aggregate and individual lending limits and methods of calculating the limits, and

iv. the type and value of security that a credit union must have before making a loan and the method for valuing the security;

17. specifying procedures and requirements respecting the retention of a credit union's assets in Canada;

18. specifying permissible investments of a credit union and permissible terms and conditions of the investments, including amounts and limits for the purposes of section 198;

19. specifying matters relating to subsidiaries of a credit union, including,

i. the institutions and corporations that are permissible subsidiaries of credit unions and conditions and restrictions relating to the investment by a credit union in a subsidiary,

ii. circumstances in which a subsidiary may hold a greater number of membership shares of the credit union than the minimum number of shares required for membership in the parent credit union,

iii. circumstances in which a subsidiary may hold shares in another credit union, and

iv. amounts and percentages for the purposes of subsection 200 (7) ;

20. specifying circumstances in which a credit union may hold its own shares;

21. specifying percentages, persons and entities for the purposes of section 199, defining "connected persons" for the purposes of that section and specifying exemptions from the rules made for the purposes of that section;

22. defining the interests of a credit union in real property and determining the method of valuing those interests;

23. specifying requirements in respect of restricted party transactions between a credit union or subsidiary and a restricted party, including,

i. defining the terms "restricted party"and "transaction" for the purposes of section 85 and Part IX, and

ii. exempting transactions, credit unions, subsidiaries or restricted parties, or any class of them, from the application of one or more provisions of Part IX;

24. specifying matters related to the maintenance of appropriate levels and forms of capital and liquidity, including rules governing,

i. the determination of the amount of a credit union's regulatory capital and total assets,

ii. monthly provisions by credit unions for doubtful loans and the establishment of reserves,

iii. minimum levels of regulatory capital and liquidity, and

iv. requirements relating to liquidity pools;

25. specifying requirements for the protection of members of credit unions and the public in their dealings with credit unions, including,

i. rules concerning representations that may be made by credit unions, and

ii. rules governing the prevention and handling of conflicts of interest between credit unions and their members or the public;

26. specifying procedures of credit unions for dealing with consumer complaints by members or depositors;

27. specifying, for the purposes of section 197.1, charges that are included in the cost of borrowing and charges, including charges described in clause (a), (b) or (c) of the definition of "cost of borrowing" in that section, that are excluded from the cost of borrowing;

28. governing rebates to be made under section 197.2;

29. specifying information other than the cost of borrowing that must be disclosed under section 197.3;

30. specifying the manner of calculating the cost of borrowing for the purposes of section 197.3;

31. specifying the circumstances in which the cost of borrowing must be expressed as an amount in dollars and cents for the purposes of section 197.3;

32. specifying the manner of calculating any rebate referred to in paragraph 4 of section 197.4;

33. specifying changes for the purposes of paragraph 6 of section 197.4, paragraph 3 of section 197.6 and paragraph 3 of subsection 197.7 (1);

34. specifying rights and obligations of borrowers for the purposes of paragraph 7 of section 197.4, paragraph 4 of section 197.6 and paragraph 4 of subsection 197.7 (1);

35. specifying information that must be disclosed under paragraph 8 of section 197.4, paragraph 5 of section 197.6 and paragraph 5 of subsection 197.7 (1);

36. specifying information for the purposes of section 197.5;

37. specifying information for the purposes of section 197.8;

38. specifying matters for the purposes of clause 197.9 (1) (b) and respecting the form, manner and content of advertisements for the purposes of subsection 197.9 (2);

39. specifying the time, manner and form of any disclosure required under sections 197.3 to 197.9;

40. specifying classes of loans in respect of which some or all of the requirements of sections 197.2 to 197.9 do not apply;

41. prohibiting the imposition of any charge or penalty referred to in section 197.4, 197.6 or 197.7;

42. governing the nature and amount of any charge or penalty referred to in section 197.4, 197.6 or 197.7 that may be imposed by a credit union, including but not limited to,

    i. rules providing that the charge or penalty must not exceed an amount specified in the rule, and

    ii. rules respecting the costs of the credit union that may be included or must be excluded in the determination of the charge or penalty;

43. respecting any other matter or thing that is necessary to carry out the purposes of sections 197.2 to 197.9;

44. specifying procedures governing the use of confidential information by credit unions;

45. specifying the maximum amount a credit union may pay out for the purposes of clause 43 (1) (a);

46. specifying the maximum amount a credit union may pay out of any money that is received by the credit union under a policy of insurance upon the death of a member for the purposes of clause 43 (1) (b);

47. specifying requirements in respect of distributions of securities by means of offering statements, including,

i. requirements for the content of an offering statement,

ii. requirements related to financial statements, reports and other documents that are to be included in the offering statement,

iii. requirements related to the distribution of an offering statement and exemptions from those requirements, and

iv. requirements for the sale of securities by credit unions under sections 75 to 83;

48. specifying requirements in respect of material change statements, including,

i. requirements respecting the disclosure of material facts in relation to securities to be distributed, and

ii. rules specifying the types of changes that do not constitute a material change;

49. specifying persons to whom a security issued under clause 75 (1) (a) may be transferred and the conditions for a transfer of securities under section 83;

50. exempting any class of distributions from the application of sections 75 to 83;

51. governing leagues, including,

i. terms of membership in a league,

ii. entities who may be members of a league,

iii. entities through whom leagues may carry on business, and

iv. additional services that leagues may provide;

52. limiting leagues from accepting and exercising rights, powers, privileges and immunities under the *Co-operative Credit Associations Act* (Canada);

53. exempting credit unions, leagues or other persons from the application of any provision of this Act, the regulations or the rules;

54. specifying the period of time within which any person who is required to take action under this Act, the regulations or the rules shall take the action;

55. requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by this Act, the regulations or the rules and all documents determined by the regulations or the rules to be ancillary to the documents;

56. varying this Act to permit or require the use of an electronic or computer-based system for the filing, delivery or deposit of,

i. documents or information required under or governed by this Act, the regulations or rules, and

ii. documents determined by the regulations or rules to be ancillary to documents required under or governed by this Act, the regulations or rules;

57. establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information;

58. prescribing the circumstances in which a person is deemed to have signed or certified a document on an electronic or computer-based system for any purpose of this Act;

59. defining any word or expression that is not defined in this Act;

60. specifying or determining anything that is authorized by a provision of this Act to be specified or determined in the rules and specifying or determining anything referred to or described in a provision of this Act as specified or determined in the rules.

144. Section 318 of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 5, is repealed and the following substituted:

Forms and reports

318. The Commission may do any of the following:

1. Approve the use of forms, specify the procedure for the use of the forms and require the use of forms for any purpose of this Act, the regulations or the rules and specify the information that must be included on the form.

2. Approve the form and contents of any report required to be prepared under this Act, the regulations or the rules and the manner of reporting.

3. Approve the form and content of information circulars and proxies.

4. Approve the form and content of an offering statement or a statement of material change.

5. Approve the form and content of reports on compliance with the capital adequacy requirements under this Act.

145. The following provisions of the Act are repealed:

1. Section 319, as amended by the Statutes of Ontario, 1997, chapter 19, section 5.

2. Sections 320 and 321.

3. Sections 321.1, 321.2, 321.3, 321.4 and 321.5, as enacted by the Statutes of Ontario, 1997, chapter 19, section 5 and amended by 1999, chapter 12, Schedule I, section 2.

4. Section 321.6 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 19, section 5.

146. (1) Subsection 322 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Offence

(1) A person who does any of the following is guilty of an offence:

1. Contravenes any provision of this Act, the regulations, the rules or an order of the Commission.

2. Fails to comply with a written undertaking given to the Commission.

(2) Section 322 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by adding the following subsections:

Information containing more than one offence

(4) An information laid in respect of an offence under this Act may be for one or more offences under this Act or the related legislation, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by

reason of the fact that it relates to two or more offences under this Act or the related legislation.

Trial by provincial judge

(5) The Commission or an agent of the Commission may, by notice to the clerk of the court having jurisdiction in respect of an offence under this Act, require that a provincial judge preside over the proceeding in respect of the offence.

Interpretation

(6) In this section,

"related legislation" has the meaning given to that expression by section 1 of the *Ontario Financial Services Commission Act.*

147. (1) Subsection 323 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

(2) Subsection 323 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 62, is repealed.

148. Section 324 of the Act is repealed and the following substituted:

Order to comply

324. If a person is convicted of an offence under this Act for failure to comply with the provisions of the Act, the regulations or the rules or with an order of the Commission or a written undertaking given to the Commission, the court, in addition to imposing a penalty, may order the person to comply.

149. Subsection 327 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed and the following substituted:

Order to comply

(1) The Commission or a member or creditor of a credit union may apply to the court for an order directing the credit union or a person who is a director, officer, employee or agent of the credit union to comply with a provision of this Act, the regulations, the rules, an order of the Commission, a written undertaking given to the Commission or a provision of the articles of incorporation or the by-laws of the credit union, or to restrain the credit union or person from acting in breach of that provision, if the credit union or the person is not complying with the provision.

150. Subsection 328 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended,

(a) by striking out "Superintendent" in the portion before clause (a) and substituting "Commission"; and

(b) by striking out "regulations" in the portion before clause (a) and substituting "rules".

151. Section 329 of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations, the rules, an order of the Commission or a written undertaking given to the Commission".

152. Section 331 and subsections 332 (2) and (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, are further amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission".

153. Section 334 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is repealed.

154. Section 335 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 53, is further amended,

(a) by striking out "Ministry" in clause (b) and substituting "Commission"; and

(b) by striking out "Superintendent" wherever it occurs in clause (c) and substituting in each case "Commission".

SCHEDULE E

REPEAL OF THE FINANCIAL SERVICES COMMISSION OF ONTARIO ACT, 1997

1. The *Financial Services Commission of Ontario Act, 1997*, as amended by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 3, is repealed.

SCHEDULE F

AMENDMENTS TO THE INSURANCE ACT

1. (1) The *Insurance Act* is amended by striking out "Tribunal" wherever it occurs and substituting in each case "Commission".

(2) Subsection (1) does not apply to the following provisions of the Act:

1. The definition of "Tribunal" in section 1.

2. Subsection 20 (1).

3. Subsection 33 (1).

2. (1) The English version of the Act is amended by striking out "Director" wherever it occurs and substituting in each case "Director of Arbitrations".

(2) Subsection (1) does not apply to the following provisions of the Act:

1. The definition of "Director" in section 1.

2. Subsections 6 (1) and (2).

3. Subsection 20 (1).

4. Section 21.

5. Paragraph 27 of subsection 121 (1).

6. Subsection 279 (4.1).

(3) The French version of the Act is amended by striking out "directeur" wherever it occurs and substituting in each case "directeur des arbitrages".

(4) Subsection (3) does not apply to the following provisions of the Act:

1. The definition of "directeur" in section 1.

2. The definition of "dirigeant" in section 1.

3. **The definition of "siège social" in section 1.**

4. **Subsections 6 (1) and (2).**

5. **Subsection 20 (1).**

6. **Section 21.**

7. **Subsection 33 (1).**

8. **Subsection 110 (4).**

9. **Paragraph 27 of subsection 121 (1).**

10. **Subsection 279 (4.1).**

3. **(1) The definition of "Commission" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 64, is repealed and the following substituted:**

"Commission" means the Ontario Financial Services Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) Section 1 of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 2, 1994, chapter 11, section 336, 1996, chapter 21, section 1, 1997, chapter 19, section 10, 1997, chapter 28, section 64, 1999, chapter 6, section 31 and 1999, chapter 12, Schedule I, section 4, is further amended by adding the following definition:

"Commission rules" means the rules made by the Commission under this Act. ("règles de la Commission")

(3) The definition of "Director" in section 1 of the Act is repealed and the following substituted:

"Director of Arbitrations" means the Director of Arbitrations appointed under section 6. ("directeur des arbitrages")

(4) The definition of "due application" in section 1 of the Act is amended by striking out "the fees hereinafter prescribed" and substituting "the fees prescribed under the *Ontario Financial Services Commission Act*".

(5) The definition of "Minister" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1996, chapter 21, section 1, is repealed and the following substituted:

"Minister" means the Minister of Finance or such other member of the Executive Council to whom the administration of this Act may be assigned under the *Executive Council Act*. ("ministre")

(6) The definition of "Superintendent" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 64, is repealed and the following substituted:

"Superintendent" means the Superintendent of Insurance appointed under section 10 of the *Ontario Financial Services Commission Act*. ("surintendant")

(7) The definition of "Tribunal" in section 1 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 64, is repealed.

(8) Section 1 of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 2, 1994, chapter 11, section 336, 1996, chapter 21, section 1, 1997, chapter 19, section 10, 1997, chapter 28, section 64, 1999, chapter 6, section 31 and 1999, chapter 12, Schedule I, section 4, is further amended by adding the following subsection:

Commission rules

(2) A reference in this Act to the Commission rules shall be deemed to include a reference to the regulations authorized under paragraph 1 of subsection 121 (1).

4. Subsection 5.1 (1) of the Act, as enacted by the Statutes of Ontario, 1996, chapter 21, section 2 and amended by 1997, chapter 28, section 67, is further amended by striking out "The Superintendent" at the beginning and substituting "The Commission".

5. (1) Subsection 6 (1) of the Act, as amended by the Statutes of Ontario, 1996, chapter 21, section 3, is further amended by,

(a) striking out "The Lieutenant Governor in Council" at the beginning and substituting "The Commission"; and

(b) striking out "the Director under this Act" at the end and substituting "the Director of Arbitrations under this Act".

(2) Subsection 6 (2) of the Act is repealed and the following substituted:

Acting Director of Arbitrations

(2) If the Director of Arbitrations is absent or if there is a vacancy in that office, such person as may be designated by the Director of Arbitrations shall act as and have all his or her powers.

6. Section 9 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 67, is further amended by adding "in respect of any dispute under this Act" at the end.

7. Subsection 20 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 77, is further amended by striking out "the Tribunal, the Superintendent and the Director" and substituting "the Director of Arbitrations".

8. Section 21 of the Act, as re-enacted by the Statutes of Ontario, 1996, chapter 21, section 11, is repealed and the following substituted:

Rules made by Director of Arbitrations

21. The Director of Arbitrations may make rules for the practice and procedure to be observed in mediations under section 280, in performing evaluations under section 280.1, and in proceedings under this Act before the Director of Arbitrations or an arbitrator, including rules establishing time limits.

9. Subsection 23 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 10, is further amended by striking out "such fees as are approved by the Minister" and substituting "the fees prescribed under the *Ontario Financial Services Commission Act*".

10. Subsection 25 (1) of the Act is repealed and the following substituted:

Publication of list of licensed insurers

(1) The Superintendent shall cause a list to be published annually of the insurers licensed at the date of the list, and shall from time to time cause notice of the licence of an insurer not theretofore licensed and notice of suspension or cancellation or revivor of licence to be given by publication.

Same

(1.1) Publication under subsection (1) shall be in *The Ontario Gazette* or in such other manner as may be determined by the Commission.

11. Subsection 28 (2) of the Act is amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

12. Subsection 33 (1) of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 5, 1997, chapter 28, section 86 and 1999, chapter 12, Schedule I, section 4, is further amended by striking out the portion before clause (a) and substituting the following:

Service of documents

(1) Unless otherwise provided in this Act, in the Commission rules or in the rules made by the Superintendent under subsection 16 (3), service of any document for the purpose of a matter to be determined by the Superintendent or a proceeding before the Commission that may result in an order or decision affecting the rights or obligations of a person required to be licensed under this Act may be made,

. . . . .

13. (1) Subsection 43 (1.2) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 89, is repealed and the following substituted:

Publication of list

(1.2) The Superintendent shall publish a list annually of the classes of insurance authorized under subsection (1) and shall publish notice of all additions to or deletions from the list as soon as practicable after making them.

Same

(1.3) Publication under subsection (1.2) shall be in *The Ontario Gazette* or in such other manner as may be determined by the Commission.

Order may prevail over definition in Act

(1.4) An order under subsection (1) may provide that a definition of a class of insurance under the order prevails over a definition of that class of insurance in this Act.

(2) Subsection 43 (2) of the Act is amended by striking out "in section 1 or as are prescribed by the regulations made under subsection (1) of this section" at the end and substituting "for the purposes of this Act".

14. Subsection 44 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 10 and 1999, chapter 12, Schedule I, section 4, is repealed and the following substituted:

Membership in compensation association

(1) Where a compensation association has been designated by the regulations as a compensation association for a class of insurers, every insurer in that class shall be deemed to be a member of the compensation association and shall be bound by the by-laws and memorandum of operation of the compensation association.

15. (1) Subsection 48 (4) of the Act is amended by striking out "the Lieutenant Governor in Council" wherever it occurs and substituting in each case "the Commission".

(2) Subsection 48 (5) of the Act is amended by striking out "the Lieutenant Governor in Council" and substituting "the Commission".

(3) Subsection 48 (8) of the Act is repealed and the following substituted:

Application of other Parts

(8) A licence shall not be granted to an insurer except upon proof that it has complied with the provisions of this Act, the regulations and the Commission rules applicable to it.

16. Section 49 of the Act is amended by striking out "*The Ontario Gazette* and elsewhere" and substituting "*The Ontario Gazette* or elsewhere".

17. Section 65 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 99, is amended by striking out "*The Ontario Gazette* and elsewhere" and substituting "*The Ontario Gazette* or elsewhere".

18. Section 101.1 of the Act, as enacted by the Statutes of Ontario, 1996, chapter 21, section 13 and amended by 1997, chapter 28, section 102, is further amended by striking out "prescribed by the regulations" wherever it occurs and substituting in each case "prescribed by the Commission rules".

19. (1) Subsection 102 (1) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 337 and 1997, chapter 19, section 10, is further amended by,

(a) striking out "the prescribed category of insurer" in clause (a) and substituting "the prescribed class of insurer"; and

(b) striking out "the prescribed category of insurer" in clause (b) and substituting "the prescribed class of insurer".

(2) The English version of subsection 102 (12) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 19, section 10, is amended by striking out "any category of insurer" and substituting "any class of insurer".

20. (1) Subsection 110 (7) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 105, is amended by,

(a) striking out "an information folder or" at the beginning of clause (a) and substituting "a form of variable insurance contract, an information folder or"; and

(b) striking out "prohibit the insurer from continuing to issue" in the portion after clause (b) and substituting "refuse to issue a receipt under subsection (2) or prohibit the insurer from issuing or continuing to issue".

(2) Subsection 110 (8) of the Act is repealed.

21. Section 120 of the Act is amended by striking out "The Minister, with the approval of the Lieutenant Governor in Council" at the beginning and substituting "The Commission".

22. (1) Subsection 121 (1) of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 12, 1994, chapter 11, section 338, 1996, chapter 21, section 14, 1997, chapter 19, section 10, 1997, chapter 28, section 107, 1999, chapter 12, Schedule I, section 4 and 2000, chapter 26, Schedule G, section 1, is further amended by adding the following paragraph:

1. in respect of any matter in respect of which the Commission may make rules under this Act.

(2) Paragraphs 3 and 4 of subsection 121 (1) of the Act are repealed.

(3) Paragraph 5 of subsection 121 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 10, is repealed.

(4) Paragraph 6 of subsection 121 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 10, is repealed.

(5) Paragraphs 7, 8 and 11 of subsection 121 (1) of the Act are repealed.

(6) Paragraph 11.1 of subsection 121 (1) of the Act, as enacted by the Statutes of Ontario, 1996, chapter 21, section 14, is repealed.

(7) Paragraphs 12, 13, 14 and 23 of subsection 121 (1) of the Act are repealed.

(8) Paragraph 25 of subsection 121 (1) of the Act, as re-enacted by the Statutes of Ontario, 1996, chapter 21, section 14, is repealed.

(9) Paragraph 26.1 of subsection 121 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is repealed.

(10) Paragraph 27 of subsection 121 (1) of the Act is repealed.

(11) Paragraphs 28.1 and 28.2 of subsection 121 (1) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 12, are repealed.

(12) Paragraphs 29 and 33 of subsection 121 (1) of the Act are repealed.

(13) Paragraphs 37.1, 37.2, 37.3 and 37.4 of subsection 121 (1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 338, are repealed.

(14) Paragraphs 37.5 and 37.6 of subsection 121 (1) of the Act, as enacted by the Statutes of Ontario, 2000, chapter 26, Schedule G, section 1, are repealed.

(15) Paragraph 38 of subsection 121 (1) of the Act is repealed.

(16) Subsection 121 (2) of the Act is repealed.

23. Section 121.1 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 19, section 10, is repealed.

24. (1) Part II of the Act is amended by adding the following section:

COMMISSION RULES

Commission rules

121.3 (1) The Commission may make rules,

1. governing the extent to which insurers may reinsure risks, including the extent to which insurers may reinsure risks with unlicensed insurers or other classes of insurers;

2. prescribing classes of insurers for the purpose of subsection 102 (1) and dates for the purpose of clause 102 (1) (a);

3. prescribing requirements in respect of financial accounting, reporting and auditing for purposes of this Act, the regulations and the Commission rules, including,

i. defining accounting principles and auditing standards acceptable to the Commission,

ii. standards of independence and other qualifications for auditors,

iii. requirements respecting a change in auditors;

4. governing the level of capital or assets to be maintained by an insurer for the purpose of subsection 102 (8);

5. exempting classes of insurers from subsection 102 (8), subject to such terms and conditions as may be specified in the rules;

6. prescribing classes of insurers for the purpose of subsection 101 (1), requiring insurers to file a return under that subsection by class and prescribing the information that insurers may solicit from insured persons for purposes of such returns;

7. prescribing the information to be provided under section 101.1 and any time limits and conditions that apply to the provision of the information;

8. designating one or more bodies corporate or associations as compensation associations and designating any such body corporate or association as a compensation association for one or more classes of insurers specified by the regulations;

9. designating insurers for the purposes of clause 44 (3) (a) and designating classes of insurers for the purposes of clause 44 (3) (e);

10. prescribing such matters as are required or permitted to be prescribed under sections 381 to 386 with respect to reciprocal insurance exchanges;

11. prescribing standards of practice and business conduct of insurers and others engaged in the business of insurance, including standards related to,

i. the marketing and selling of insurance,

ii. the settling of insurance claims,

iii. the delivery of notices of changes in insurance benefits or premiums, and

iv. market conduct audits and surveys;

12. prescribing requirements that are advisable for the prevention or regulation of conflicts of interest;

13. deeming any activity or failure to act to be an unfair or deceptive act or practice for the purpose of this Act;

14. requiring and governing the disclosure of information to applicants for insurance, persons insured under a policy of insurance and the public by insurers, agents or intermediaries or any person engaged in the business of insurance, including the content and timing of that disclosure;

15. requiring or respecting the media, format, preparation, form, content, execution, certification and dissemination of all documents required under or governed by this Act, the regulations or the Commission rules and all documents determined by the regulations or the Commission rules to be ancillary to the documents, including,

i. insurance policies,

ii. endorsements,

iii. application forms for insurance,

iv. application forms for any matter for which an application is made to the Commission,

v. notices of any kind, including disclosure notices, and

vi. forms for any filing required by this Act;

16. prescribing requirements, qualifications and terms and conditions for the granting or renewal of licences under Part XIV;

17. providing for the holding of examinations for applicants for licences or renewals of licences under Part XIV;

18. classifying applicants for licences under Part XIV and restricting or prohibiting the licensing of any class of applicant;

19. prescribing the grounds upon which a licence may be revoked, suspended or not renewed under Part XIV;

20. governing insurer responsibility for agents, including,

i. governing reports by insurers to the Superintendent on the suitability of an applicant or licensee to carry on business as an agent,

ii. requiring insurers that authorize agents to act on their behalf to establish and maintain a system to screen each agent and supervise activities of each agent;

21. prescribing standards of practice and duties of agents or adjusters, including,

i. a code of ethics,

ii. standards of practice and duties that are advisable for the prevention or regulation of conflicts of interest,

iii. standards of practice and duties for the handling of premiums and maintaining of accounts and records,

iv. standards of practice and duties for providing information and returns to the Superintendent;

22. requiring that agents or adjusters carry errors and omissions insurance, furnish a fidelity bond or belong to a compensation fund, and fixing the amount, form, requirements and terms thereof;

23. regulating the replacement of an existing contract of life insurance by another contract of life insurance, including prescribing the duties of insurers and agents in connection with the replacement of life insurance contracts;

24. exempting a person or class of persons from section 393 and sections 397 to 401, or from any provision of those sections, subject to such terms and conditions as may be specified in the rules;

25. respecting networking arrangements between insurers and other persons providing products or services to the insurer or its customers, including,

i. defining "networking arrangement" for the purpose of this paragraph,

ii. prohibiting or restricting networking arrangements, and

iii. governing the conduct of insurers, agents and brokers in networking arrangements;

26. governing the sale and marketing of prescribed classes of insurance to members of a group, including defining "group" for the purposes of this paragraph and prescribing and regulating qualifications for membership in groups;

27. governing group insurance contracts or schemes, including prescribing and regulating their terms and conditions, qualifications for membership in groups and regulating the marketing of group insurance contracts or schemes;

28. governing segregated funds and variable insurance contracts, including,

i. prescribing permitted investment policy and investment practices for segregated funds and prohibiting or restricting certain investments or investment practices for segregated funds,

ii. governing the sale and marketing of segregated fund products,

iii. prescribing rescission rights in respect of variable insurance contracts,

iv. prescribing standards in respect of suitability of products for prospective purchasers,

v. prescribing requirements in respect of financial reporting,

vi. prescribing requirements in respect of partitions,

vii. prescribing requirements in respect of mergers involving segregated funds of the same insurer or of different insurers,

viii. governing the rights of policy holders when material changes occur affecting the contract or the operation of a segregated fund as described in the information folder,

ix. regulating the operation of segregated funds including,

  A. prescribing the role of independent directors,

  B. prescribing proficiency standards for persons who manage segregated funds,

  C. prescribing minimum standards for the creation of a segregated fund;

29. for the purpose of section 110,

i. prescribing the form and content of variable insurance contracts,

ii. prescribing the form, content, time of filing and delivery of information folders and the persons to whom information folders shall be delivered,

iii. prescribing matters relating to the furnishing of information by an insurer or an agent thereof to prospective purchasers of variable insurance contracts, and

iv. prescribing the documents, reports, statements, agreements and other information required to be filed, furnished or delivered under section 110, and the form and content thereof;

30. extending the provisions of this Act or any of them to a system or class of insurance not particularly mentioned in this Act;

31. varying this Act to permit or require the use of an electronic or computer-based system for the filing, delivery, deposit or issuing of,

i. documents or information required under or governed by this Act, the regulations or the Commission rules, and

ii. documents determined by the regulations or Commission rules to be ancillary to documents required under or governed by this Act, the regulations or the Commission rules;

32. establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, recording or service of documents or information for any purpose of this Act;

33. prescribing the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose of this Act;

34. varying this Act to permit or require methods of filing, delivery, deposit, inspection, recording or service, to or by the Commission, the Superintendent, insurers, agents, adjusters or others, of documents, information, notices, books, records, things, reports, orders, authorizations or other communications required under or governed by this Act, the regulations or the Commission rules.

Continuing education

(2) A rule made under paragraph 21 of subsection (1) may require agents to participate in programs of continuing education approved by the Superintendent.

(2) Subsection 121.3 (1) of the Act, as enacted by subsection (1), is amended by adding the following paragraphs:

35. governing viatical settlements, including, without limiting the generality of the foregoing,

i. defining "viatical settlement",

ii. requiring a licence to carry on business in viatical settlements and governing those licences,

iii. governing the marketing and entering into of viatical settlements,

iv. requiring persons who solicit business for or otherwise assist persons who carry on business in viatical settlements to be licensed and governing those licences,

v. governing the terms and conditions of viatical settlements,

vi. requiring the approval of a person or body specified by the rules for any thing related to viatical settlements,

vii. declaring a viatical settlement to be void or voidable in circumstances prescribed by the regulations, and

viii. making any provision of this Act or the *Ontario Financial Services Commission Act* that applies to insurers applicable, with such modifications as may be specified by the regulations, to persons who carry on business in viatical settlements;

36. exempting any person from section 115, subject to such terms and conditions as may be set out in the rules.

(3) Subsection 121.3 (1) of the Act, as enacted by subsection (1), is amended by adding the following paragraphs:

37. prescribing, for the purposes of section 437.1, charges that are included in the cost of borrowing and charges that are excluded from the cost of borrowing;

38. governing rebates to be made under section 437.2;

39. prescribing information other than the cost of borrowing that must be disclosed under section 437.3;

40. prescribing the manner of calculating the cost of borrowing for the purposes of section 437.3;

41. prescribing the circumstances in which the cost of borrowing must be expressed as an amount in dollars and cents for the purposes of section 437.3;

42. prescribing the manner of calculating any rebate referred to in paragraph 4 of section 437.4;

43. prescribing changes for the purposes of paragraph 6 of section 437.4, paragraph 3 of section 437.6 and paragraph 3 of subsection 437.7 (1);

44. prescribing rights and obligations of borrowers for the purposes of paragraph 7 of section 437.4, paragraph 4 of section 437.6 and paragraph 4 of subsection 437.7 (1);

45. prescribing information that must be disclosed under paragraph 8 of section 437.4, paragraph 5 of section 437.6 and paragraph 5 of subsection 437.7 (1);

46. prescribing information for the purposes of section 437.5;

47. prescribing information for the purposes of section 437.8;

48. prescribing matters for the purposes of clause 437.9 (1) (b) and respecting the form, manner and content of advertisements for the purposes of subsection 437.9 (2);

49. prescribing the time, manner and form of any disclosure required under sections 437.3 to 437.10;

50. prescribing classes of loans in respect of which some or all of the requirements of sections 437.2 to 437.9 do not apply;

51. requiring the disclosure of the cost of borrowing in respect of an advance on the security or against the cash surrender value of a policy and respecting the manner in which the cost of borrowing is to be disclosed;

52. prescribing classes of advances that are not subject to section 437.10;

53. prohibiting the imposition of any charge or penalty referred to in section 437.4, 437.6 or 437.7;

54. governing the nature and amount of any charge or penalty referred to in section 437.4, 437.6 or 437.7 that may be imposed by an insurer, including but not limited to,

i. rules providing that such a charge or penalty shall not exceed an amount prescribed in the rules, and

ii. rules respecting the costs of the insurer that may be included or must be excluded in the determination of the charge or penalty;

55. respecting any other matter or thing that is necessary to carry out the purposes of sections 437.2 to 437.10.

(4) Section 121.3 of the Act, as enacted by subsection (1), is amended by adding the following subsection:

Cost of borrowing

(3) A rule made under paragraph 37 of subsection (1) may exclude charges described in clause (a), (b) or (c) of the definition of "cost of borrowing" in section 437.1.

25. Subsection 169 (9) of the Act is amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the Commission rules".

26. Subsection 227 (6) of the Act, as re-enacted by the Statutes of Ontario, 1993, chapter 10, section 14 and amended by 1997, chapter 28, section 111, is further amended by striking out "published in *The Ontario Gazette*" and substituting "published in *The Ontario Gazette* or in such other manner as may be determined by the Commission".

27. Subsection 232 (7) of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 16 and 1997, chapter 28, section 111, is further amended by striking out "a copy of *The Ontario Gazette*" and substituting "a copy of the publication under subsection 227 (6)".

28. Subsection 267.2 (1) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 25 and amended by 1997, chapter 28, section 115, is further amended by striking out "publish in *The Ontario Gazette*" in the portion before clause (a) and substituting "publish in *The Ontario Gazette* or in such other manner as may be determined by the Commission".

29. (1) Subsection 268.1 (1) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 27 and amended by 1997, chapter 28, section 115, is further amended by striking out "publish in *The Ontario Gazette*" and substituting "publish in *The Ontario Gazette* or in such other manner as may be determined by the Commission".

(2) Subsection 268.1 (3) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 27 and amended by 1997, chapter 28, section 115, is further amended by striking out "publish in *The Ontario Gazette*" and substituting "include in the publication".

30. Subsection 268.3 (3) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 27, is amended by striking out "published in *The Ontario Gazette*" and substituting "published in *The Ontario Gazette* or published in such other manner as may be determined by the Commission".

31. Subsection 279 (4.1) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 32 and amended by 1996, chapter 21, section 34, is repealed and the following substituted:

Interim orders

(4.1) The Director of Arbitrations and every arbitrator appointed by the Director of Arbitrations may make interim orders pending the final order in any matter before them.

32. (1) Subsection 280 (4) of the Act is amended by striking out "prescribed in the regulations" and substituting "prescribed by the rules made under section 21".

(2) Subsection 280 (7) of the Act is amended by striking out "the prescribed or agreed time" and substituting "the time prescribed by the rules made under section 21 or the agreed time".

33. Subsection 282 (4) of the Act is amended by striking out "set out in the regulations" at the end and substituting "prescribed by the rules made under section 21".

34. (1) Subsection 386 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "prescribed by regulation or such amount as may be determined in the prescribed manner" at the end and substituting "prescribed by the Commission rules or such amount as may be determined in the manner prescribed by the Commission rules".

(2) Subsection 386 (2) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "prescribed by regulation or such amount as may be determined in the prescribed manner" at the end and substituting "prescribed by the Commission rules or such amount as may be determined in the manner prescribed by the Commission rules".

35. Subsection 390 (8) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 122, is amended by striking out "in at least two successive issues of *The Ontario Gazette*" and substituting "in *The Ontario Gazette* or in such other manner as may be determined by the Commission, on at least two occasions".

36. (1) Subsection 393 (3) of the Act is amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(2) Subsection 393 (6) of the Act is amended by striking out "the prescribed fee" at the end and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(3) Subsection 393 (9) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 123, subsection 393 (10) of the Act, as re-enacted by 1997, chapter 28, section 123, and subsections 393 (10.1) and (10.2) of the Act, as enacted by 1997, chapter 28, section 123, are repealed and the following substituted:

Notice of proposal

(9) If the Superintendent proposes to refuse to issue or renew a licence or proposes to suspend or revoke a licence, the Superintendent shall serve notice of the proposal, together with written reasons for it, on the applicant or licensee.

Interim order

(10) Despite subsection (9), the Superintendent may make an interim order without prior notice if the Superintendent considers an interim order to be necessary to protect the public interest.

Effect of interim order

(10.1) An order made under subsection (10) takes effect immediately and becomes permanent on the 15th day after it is made unless before that day the applicant or licensee mails or delivers a notice in writing to the Commission requiring a hearing.

Notice requiring hearing

(10.2) A notice under subsection (9) must state that the applicant or licensee is entitled to a hearing if the applicant or licensee mails or delivers to the Commission within 15 days after the notice is served a notice in writing requiring a hearing.

Powers of Superintendent where no hearing

(10.3) Where an applicant or licensee does not require a hearing in accordance with subsection (10.2), the Superintendent may carry out the proposal stated in the notice under subsection (9).

Hearing

(10.4) If an applicant or licensee requires a hearing under subsection (10.1) or (10.2), a hearing shall be held before,

(a) a hearing panel consisting of one member of the Commission; or

(b) if the applicant's or licensee's notice so requests, a hearing panel consisting of,

(i) a member of the Commission assigned by the chair of the Commission, who shall chair the panel,

(ii) a representative of insurers assigned by the chair of the Commission from a roster established and maintained by the Commission, and

(iii) a representative of agents assigned by the chair of the Commission from a roster established and maintained by the Commission.

Powers of hearing panel

(10.5) The hearing panel may order the Superintendent to carry out or not carry out the proposal stated in the notice under subsection (9), or may make such other order as the panel considers appropriate.

Decision

(10.6) A decision of the hearing panel shall be deemed to be a decision of the Commission for the purposes of this Act and the *Ontario Financial Services Commission Act*.

Transition

(10.7) Despite subsections (9) to (10.6), subsections (9) to (10.2), as they read immediately before the day subsection 36 (3) of Schedule F to the *Ontario Financial Services Commission Act* came into force, continue to apply to any determination of the Superintendent that began under this section before that day with respect to the granting or refusal of an application for a licence or renewal of licence, or the revocation or suspension of an existing licence, except that,

(a) the reference to "the Tribunal" in subsection (10.2), as it read immediately before the day subsection 36 (3) of Schedule F to the *Ontario Financial Services Commission Act* came into force, shall be deemed to be a reference to one member of the Commission assigned by the chair of the Commission; and

(b) the decision of the member of the Commission on an appeal under subsection (10.2), as it read immediately before the day subsection 36 (3) of Schedule F to the *Ontario Financial Services Commission Act* came into force, shall be deemed to be a decision of the Commission for the purposes of this Act and the *Ontario Financial Services Commission Act*.

(4) Subsection 393 (11) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 339, is further amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(5) Subsections 393 (14) and (15) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 339 and amended by 1997, chapter 28, section 123, subsections 393 (16) to (19) of the Act, as re-enacted by 1994, chapter 11, section 339, subsection 393 (20) of the Act, as re-enacted by 1994, chapter 11, section 339 and amended by 1997, chapter 28, section 123, subsections 393 (20.1) to (20.5) of the Act, as enacted by 1994, chapter 11, section 339 and amended by 1997, chapter 28, section 123, subsections 393 (20.6) to (20.13) of the Act, as enacted by 1994, chapter 11, section 339, subsection 393 (21) of the Act, as amended by 1994,

chapter 11, section 339 and 1997, chapter 19, section 10, subsections 393 (21.1) and (21.2) of the Act, as enacted by 1994, chapter 11, section 339 and subsection 393 (22) of the Act are repealed.

37. (1) Subsection 397 (1) of the Act is amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(2) Subsection 397 (4) of the Act is amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(3) Subsection 397 (5) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 124, is repealed and the following substituted:

Revocation

(5) Subsections 393 (8) to (10.7) apply with necessary modifications to applicants and licensees under this section.

38. (1) Subsection 399 (2) of the Act is amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(2) Subsection 399 (3) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 340, is amended by striking out "or the organization recognized under subsection 393 (14), as the case may be" at the end.

39. (1) Subsection 400 (1) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 341, is repealed and the following substituted:

Licences to corporations

(1) Licences as agents or adjusters may be issued to any corporation that is incorporated expressly for the purpose of acting as an insurance agent or adjuster or for that and such other purposes as the Superintendent expressly approves of and where the corporation has been incorporated under the *Business Corporations Act*, after June 30, 1971, the articles of incorporation shall have been approved by the Superintendent prior to incorporation.

(2) Subsection 400 (2) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 341, is further amended by striking out "it appears to the Superintendent or the organization recognized under subsection 393 (14), as the

case may be, that the application" and substituting "it appears to the Superintendent that the application".

(3) Subsection 400 (7) of the Act is amended by striking out "the prescribed fee" and substituting "the fee prescribed under the *Ontario Financial Services Commission Act*".

(4) Subsection 400 (9) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 341, is further amended by striking out "the Superintendent or the organization recognized under subsection 393 (14), as the case may be, may require" and substituting "the Superintendent may require".

(5) Subsection 400 (10) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 341, is amended by striking out "or the organization recognized under subsection 393 (14), as the case may be" at the end.

40. Section 407 of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 344, is further amended by striking out "as the Superintendent or the organization recognized under subsection 393 (14), as the case may be, may prescribe" at the end and substituting "as the Superintendent may prescribe".

41. Subsection 412 (2) of the Act, as re-enacted by the Statutes of Ontario, 1996, chapter 21, section 45, is amended by striking out "The Commissioner" at the beginning and substituting "The Superintendent".

42. Subsection 416 (2) of the Act is amended by striking out "published in *The Ontario Gazette*" and substituting "published in *The Ontario Gazette* or published in such other manner as may be determined by the Commission".

43. (1) Subsection 417.1 (1) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 46 and amended by 1997, chapter 28, section 134, is further amended by,

(a) striking out "The Superintendent" at the beginning and substituting "The Commission"; and

(b) striking out "the Superintendent's recommendations" and substituting "the Commission's recommendations".

(2) Subsection 417.1 (2) of the Act, as enacted by the Statutes of Ontario, 1993, chapter 10, section 46 and amended by 1997, chapter 28, section 134, is further

amended by striking out "the reports of the Superintendent" and substituting "the reports of the Commission".

44. (1) Subsection 418 (1) of the Act is amended by striking out "The Superintendent may inquire into any question that an insurer, insured or a rating bureau may bring before him or her" at the beginning and substituting "The Commission may inquire into any question that an insurer, insured or a rating bureau may bring before it".

(2) Subsection 418 (2) of the Act is repealed and the following substituted:

Report

(2) The Commission shall not make an order pursuant to an inquiry under this section, but the result of the inquiry shall be reported in the Commission's annual report.

45. The definition of "cost of borrowing" in section 437.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" wherever it occurs and substituting in each case "the Commission rules".

46. (1) Subsection 437.2 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

(2) Subsection 437.2 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations made under clause 437.11 (1) (b)" and substituting "the Commission rules made under paragraph 38 of subsection 121.3 (1)".

47. (1) Subsection 437.3 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

(2) Clause 437.3 (2) (b) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" at the end and substituting "the Commission rules".

(3) Clause 437.3 (2) (d) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

48. (1) Paragraph 7 of section 437.4 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

(2) Paragraph 8 of section 437.4 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

49. Section 437.5 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

50. (1) Paragraph 4 of section 437.6 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

(2) Paragraph 5 of section 437.6 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

51. (1) Paragraph 4 of subsection 437.7 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

(2) Paragraph 5 of subsection 437.7 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

52. Section 437.8 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" at the end and substituting "the Commission rules".

53. Subsection 437.9 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by striking out "the regulations" and substituting "the Commission rules".

54. Section 437.10 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is amended by,

(a) striking out "Where regulations have been made" at the beginning and substituting "Where Commission rules have been made"; and

(b) striking out "in accordance with the regulations" and substituting "in accordance with the Commission rules".

55. Section 437.11 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is repealed.

56. The definition of "unfair or deceptive acts or practices" in section 438 of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, is repealed and the following substituted:

"unfair or deceptive act or practice" includes any activity or failure to act that is deemed by the Commission rules to be an unfair or deceptive act or practice. ("acte ou pratique malhonnête ou mensonger")

57. (1) Subsection 444 (2) of the Act is amended by striking out "except under the authority of a warrant issued under this section" at the end.

(2) Subsections 444 (3) to (7) of the Act are repealed.

58. (1) Subsection 447 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4 , is amended by adding the following definition:

"related legislation" has the meaning given to that expression by section 1 of the *Ontario Financial Services Commission Act*. ("législation connexe")

(2) Clause 447 (2) (a) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 347, is further amended by striking out "or an organization recognized under subsection 393 (14)".

(3) Clause 447 (2) (c) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 347 and 1997, chapter 28, section 146, is further amended by striking out "or to an organization recognized under subsection 393 (14)" at the end.

(4) Clause 447 (2) (d) of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the Commission rules".

(5) Subsection 447 of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 347, 1996, chapter 21, section 49, 1997, chapter 28, section 146 and 1999, chapter 12, Schedule I, section 4, is further amended by adding the following subsection:

Information containing more than one offence

(6) An information laid in respect of an offence under this Act may be for one or more offences under this Act or the related legislation, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

59. (1) Subsection 448 (1) of the Act, as amended by the Statutes of Ontario, 1993, chapter 10, section 51, is further amended by,

(a) striking out "the Superintendent" in the portion before clause (a) and substituting "the Commission";

(b) striking out "this Act or the regulations" in clause (a) and substituting "this Act, the regulations or the Commission rules"; and

(c) striking out "the Superintendent" in the portion after clause (c) and substituting "the Commission".

(2) Subsection 448 (1.1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 348, is repealed.

60. Section 449 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 147, is further amended by striking out "the Superintendent" at the end and substituting "the Commission".

61. The following provisions of the Act are amended by striking out "the regulations" and "regulation" wherever they occur and substituting in each case "the Commission rules":

1. **The definition of "compensation association" in section 1.**
2. **Subsection 7 (3), as enacted by the Statutes of Ontario, 1996, chapter 21, section 4 and amended by 1997, chapter 28, section 67.**
3. **Section 41.**
4. **Subsection 43 (4).**
5. **Clauses 44 (3) (a) and (e).**

6. **Subsection 102 (8), as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4.**

7. **Subsection 102 (8.1), as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4.**

8. **Section 104.**

9. **Section 105.**

10. **Subsections 110 (2), (3) and (4), clause 110 (6) (b) and subclause 110 (7) (a) (i).**

11. **Subsection 381 (1), as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4, and subsection 381 (2), as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4.**

12. **Subsection 382 (1), as re-enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 4.**

13. **Subsection 393 (1), subsection 393 (8), as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 123, and subsection 393 (11), as amended by the Statutes of Ontario, 1994, chapter 11, section 339.**

SCHEDULE G

AMENDMENTS TO THE MORTGAGE BROKERS ACT

1. (1) The definition of "Minister" in subsection 1 (1) of the *Mortgage Brokers Act*, as re-enacted by the Statutes of Ontario, 1994, chapter 27, section 91, is repealed and the following substituted:

"Minister" means the Minister of Finance or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*. ("ministre")

(2) The definition of "prescribed" in subsection 1 (1) of the Act is repealed and the following substituted:

"prescribed" means prescribed by the rules. ("prescrit")

(3) The definition of "Superintendent" in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 173, is repealed.

(4) The definition of "Tribunal" in subsection 1 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 173, is repealed.

(5) Subsection 1 (1) of the Act, as amended by the Statutes of Ontario, 1994, chapter 27, section 91 and 1997, chapter 28, section 173, is further amended by adding the following definitions:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*; ("Commission")

"rules" means the rules made under this Act. ("règles")

(6) Section 1 of the Act, as amended by the Statutes of Ontario, 1994, chapter 27, section 91 and 1997, chapter 28, section 173, is further amended by adding the following subsection:

Rules

(3) A reference in this Act to the rules is deemed to include a reference to regulations authorized under section 33.1.

2. The following provisions of the Act are amended by striking out "Superintendent" wherever it occurs and substituting in each case "Commission":

1. **Subsection 4 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
2. **Subsection 5 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
3. **Subsections 6 (1) and (2), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
4. **Subsections 7 (1), as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 176, and subsection 7 (7), as amended by the Statutes of Ontario, 1997, chapter 19, section 15, 1997, chapter 28, section 172 and 1999, chapter 12, Schedule I, section 6.**
5. **Clauses 12 (1) (a) and (c) and subsection 12 (2), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
6. **The portion of section 13 before clause (a) and clauses 13 (d) and (e), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
7. **Subsection 14 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
8. **Subsection 15 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
9. **Subsections 16 (1) and (2), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
10. **Subsection 17 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
11. **Section 19, as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**
12. **Subsection 20 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**

13. Subsections 27 (1) and (2), as amended by the Statutes of Ontario, 1997, chapter 28, section 172, and subsection 27 (3), as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 181.

14. Subsection 29 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 182.

15. Subsection 30 (1), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.

16. Subsection 34 (1), as enacted by the Statutes of Ontario, 1997, chapter 19, section 15 and amended by 1999, chapter 12, Schedule I, section 6.

17. Subsections 35 (1) and (2), as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 6.

3. (1) Clause 5 (1) (d) of the Act is amended by striking out "regulations" and substituting "rules".

(2) Subsection 5 (2) of the Act as amended by the Statutes of Ontario, 1997, chapter 28, sections 172 and 175 and subsection 5 (3) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 175, are repealed and the following substituted:

Conditions of registration

(2) A registration is subject to such terms and conditions as may be consented to by the applicant, imposed by the Commission or as may be prescribed.

4. (1) Section 7 of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 15, 1997, chapter 28, sections 172 and 176 and 1999, chapter 12, Schedule I, section 6, is further amended by adding the following subsections:

Interim order

(1.1) Despite subsection (1), the Commission may make an interim order without prior notice if the Commission considers an interim order to be necessary to protect the public interest.

Effect of order

(1.2) An interim order made under subsection (1.1) takes effect immediately and becomes permanent on the 15th day after it is made unless before that day the applicant or registrant mails or delivers a notice in writing to the Commission requiring a hearing.

(2) Subsections 7 (2), (3), (4), (5) and (6) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, are repealed and the following substituted:

Notice requiring hearing

(2) A notice under subsection (1) must state that the applicant or registrant is entitled to a hearing by the Commission if the applicant or registrant mails or delivers to the Commission, within 15 days after the notice is served, a notice in writing requiring a hearing.

Powers of Commission

(3) If an applicant or registrant does not require a hearing in accordance with subsection (2), the Commission may carry out the proposal stated in the notice.

Hearing

(4) If an applicant or registrant requires a hearing under subsection (1.2) or (2), the Commission shall appoint a time for and hold the hearing and may order that the proposal be carried out or not carried out and may take such other action as it considers it ought to take in accordance with this Act and the rules.

Conditions of order

(5) The Commission may attach such terms and conditions to its order or to the registration as it considers appropriate.

Parties

(6) The applicant or registrant and such other persons as the Commission may specify are parties to the hearing.

(3) Subsection 7 (8) of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 15 and 1997, chapter 28, section 172, and subsection 7 (9) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 176, are repealed and the following substituted:

Continuation of registration pending renewal

(8) If, within the prescribed time or, if no time is prescribed, before the expiry of the registration, a registrant has applied for renewal of a registration and paid the fee prescribed under the *Ontario Financial Services Commission Act*, the registration is deemed to continue,

(a) until the renewal is granted;

(b) until the time for giving notice requiring a hearing has expired, if the registrant is served with notice that the Commission proposes to refuse to grant the renewal; or

(c) until the Commission has made its order if a hearing referred to in clause (b) is held.

5. The following provisions of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 6, are amended by striking out "regulations" wherever it occurs and substituting in each case "rules":

1. **Clause (d) and the portion after clause (d) of the definition of "cost of borrowing" in section 7.1.**
2. **Subsection 7.2 (1) and clauses 7.2 (2) (b) and (d).**
3. **Paragraphs 7 and 8 of section 7.3.**
4. **Paragraphs 4 and 5 of subsection 7.4 (1).**
5. **Section 7.5.**
6. **Section 7.6.**
7. **Section 7.7.**

6. (1) Subsection 7.8 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 6, is amended by striking out the portion before clause (a) and substituting the following:

Rules re disclosure

(1) The Commission may make rules,

¼..

(2) Subclause 7.8 (1) (n) (i) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 6, is repealed and the following substituted:

(i) rules providing that the charge or penalty must not exceed a prescribed amount, and

.....

(3) The English version of subclause 7.8 (1) (n) (ii) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 6, is repealed and the following substituted:

(ii) rules respecting the costs of the mortgage broker that may be included or must be excluded in the determination of the charge or penalty.

(4) Subsections 7.8 (2) and (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 6, are amended by striking out "regulation" wherever it occurs and substituting in each case "rule".

7. Clause 13 (f) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 15, is repealed and the following substituted:

(f) the fees prescribed under the *Ontario Financial Services Commission Act*.

8. Subsection 15 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is repealed and the following substituted:

Application of s. 7

(2) If the Commission proposes to refuse to grant a certificate of acceptance, the Commission shall serve a notice of the proposal on the person on whose behalf the prospectus was filed and section 7 applies with necessary modifications to the proposal.

9. (1) Subsection 16 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is further amended by striking out "this Act or the regulations" and substituting "this Act or the rules".

(2) Subsection 16 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is repealed and the following substituted:

Interim order

(3) If the Commission proposes to revoke a certificate of acceptance, the Commission may make an interim order, without notice, immediately suspending the certificate of acceptance if the Commission considers immediate suspension to be necessary in the public interest.

Application of s. 7

(4) Subsections 7 (1.2), (3), (4), (5), (6) and (8) apply with necessary modifications to a proposal or interim order under this section.

10. Subsection 20 (3) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is repealed and the following substituted:

Inspection

(3) A person designated in writing by the Commission for the purposes of this section may enter the business premises of the mortgage broker at a reasonable time for the purposes of inspecting with respect to the complaint.

11. Section 21 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is repealed and the following substituted:

Inspection

21. (1) The Commission may designate one or more persons in writing for the purposes of this section.

Duties

(2) A designated person may do any of the following:

1. He or she may enter the business premises of a person registered under this Act at a reasonable time to inspect to ensure compliance with the provisions of this Act and the rules.

2. Subject to subsection (3), he or she may enter any person's business premises at a reasonable time to inspect for the purpose of determining if the person is in contravention of section 4.

Same

(3) A designated person may inspect the business premises of a person who is not registered under this Act only if the Commission has reasonable and probable grounds to believe that the person is acting as a mortgage broker while unregistered.

12. Section 24 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, sections 172 and 178, is repealed.

13. Section 26 of the Act, as amended by the Statutes of Ontario, 1994, chapter 27, section 91, 1997, chapter 19, section 37 and 1997, chapter 28, sections 172 and 180, is repealed and the following substituted:

Definitions

26. (1) In this section,

"court" means the Superior Court of Justice; ("tribunal")

"depository" means a person who holds assets or trust funds on deposit, under his or her control or for safekeeping. ("dépositaire")

Protection of clients

(2) The Commission may take one of the actions described in subsection (3) for the protection of clients or customers of one of the following persons:

1. A person who is under investigation under an order made under Part IX of the *Ontario Financial Services Commission Act.*

2. A person against whom criminal proceedings or proceedings for any contravention of law are about to be or have been commenced if the proceedings are connected with or arise out of the business in respect of which the person is registered.

Direction to refrain from dealing with assets

(3) The Commission may, in writing,

(a) direct a depository to hold in trust in accordance with subsection (4) any assets or trust funds of the person referred to in paragraph 1 or 2 of subsection (2) that are in the depository's possession or under his or her control;

(b) direct the person referred to in paragraph 1 or 2 of subsection (2) to refrain from withdrawing any assets or trust funds from any depository; or

(c) direct the person referred to in paragraph 1 or 2 of subsection (2) to hold in trust in accordance with subsection (4) any assets or trust funds of any other person that are in his or her possession or under his or her control.

Trust funds

(4) A depository or a person directed by the Commission to hold assets or trust funds shall hold them,

(a) for a custodian, trustee, receiver or liquidator appointed under the *Bankruptcy and Insolvency Act* (Canada), the *Courts of Justice Act*, the *Corporations Act*, the *Business Corporations Act* or the *Winding-up and Restructuring Act* (Canada);

(b) until the Commission revokes the direction or consents to the release of any particular assets or trust funds from the direction; or

(c) until the court directs or orders otherwise.

Branches of financial institutions

(5) A direction under subsection (3) applies only to the offices, branches or agencies of a bank, loan or trust corporation named in the direction.

Bond in lieu

(6) Subsection (3) does not apply if the person referred to in paragraph 1 or 2 of subsection (2) files with the Commission, in such form and amount and containing such terms as the Commission may require,

(a) a personal bond accompanied by collateral security;

(b) a bond of an insurer licensed under the *Insurance Act* to write surety and fidelity insurance; or

(c) a bond of a guarantor, other than an insurer referred to in clause (b), accompanied by collateral security.

Application for direction

(7) A depository or a person who receives a direction given under subsection (3) may apply to the court for a direction relating to the assets or trust funds that are the subject of the direction if,

(a) he or she is in doubt whether the direction applies to the assets or trust funds; or

(b) a person not named in the direction makes a claim for the assets or trust funds.

Court order

(8) The court may direct the disposition of the assets or trust funds and may make such order for costs as it considers appropriate.

Notice to land registrar

(9) In any of the circumstances mentioned in paragraph 1 or 2 of subsection (2), the Commission may in writing notify any land registrar that proceedings are being or about to be taken that may affect land belonging to the person referred to in the notice.

Registration on title

(10) A notice under subsection (9) shall be registered by the land registrar against the lands mentioned in it and has the same effect as the registration of a certificate of

pending litigation except that the Commission may revoke or modify the notice in writing.

Cancellation of direction or registration

(11) A person to whom or in respect of whom a direction is given under subsection (3) or any person having an interest in land in respect of which a notice is registered under subsection (10) may apply to the Commission at any time for cancellation in whole or in part of the direction or registration.

Parties

(12) The applicant under subsection (11) and such other persons as the Commission may specify are parties to the hearing referred to in subsection (13).

Disposition of application

(13) The Commission shall dispose of the application after a hearing and may cancel the direction or registration in whole or in part if the Commission finds that,

(a) the direction or registration is not required in whole or in part for the protection of clients or customers of the applicant or of other persons interested in the land; or

(b) the interests of other persons are unduly prejudiced by the direction or registration.

Court application

(14) The Commission may apply to the court for directions or for an order for the disposition of assets or trust funds affected by a direction or of land affected by a notice given under subsection (9) and the court may give such directions or make such order, including an order for costs, as it considers appropriate.

Same

(15) An application by the Commission for directions under this section may be made without notice to any other person or party.

14. Subsection 27 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is further amended by striking out "the day on which he or she is actually notified" and substituting "the day on which the Commission receives the notice".

15. Section 28 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is repealed and the following substituted:

False advertising

28. If the Commission believes on reasonable and probable grounds that a mortgage broker is making false, misleading or deceptive statements in any advertisement, circular, pamphlet or other material distributed or available through any medium, the Commission may order the use of the material to immediately stop and section 7 applies with necessary modifications to the order in the same manner as if it were an interim order made by the Commission under that section.

16. Subsection 29 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 182, is further amended by striking out "this Act or the regulations" and substituting "this Act or the rules".

17. The following provisions of the Act are amended by striking out "Tribunal" wherever it occurs and substituting in each case "Commission":

1. **Subsection 29 (3), as amended by the Statutes of Ontario, 1997, chapter 28, section 172.**

2. **Section 30.1, as enacted by the Statutes of Ontario, 1997, chapter 28, section 183.**

18. Subsection 30 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 172, is further amended,

(a) by striking out "this Act, the regulations or an order" and substituting "this Act, the rules or an order"; and

(b) by striking out "Ontario Court (General Division)" and substituting "Superior Court of Justice".

19. Section 31 of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 15 and 1997, chapter 28, sections 172 and 184, is repealed and the following substituted:

Offence

31. (1) Every person is guilty of an offence who,

(a) furnishes false information in any application under this Act or in any statement or return required to be furnished under this Act or the rules;

(b) fails to comply with an order, direction, written undertaking given to the Commission or any other requirement made under this Act or the rules; or

(c) contravenes any provision of this Act or the rules.

Same

(2) Every director or officer of a corporation who concurs in the commission by the corporation of an offence described in subsection (1) is guilty of an offence.

Penalty

(3) A person is liable on conviction of an offence under subsection (1),

(a) to a fine of not more than $100,000 or to imprisonment for a term of not more than one year, or to both, if the person is an individual or a director or officer described in subsection (2); or

(b) to a fine of not more than $200,000 if the person is a corporation.

Restitution

(4) If a person is convicted of an offence under this Act, the court may order the person to pay compensation or make restitution in relation to the offence, in addition to any other penalty.

Limitation

(5) No proceeding may be commenced,

(a) in respect of an offence described in clause (1) (a) more than one year after the facts upon which the proceeding is based first come to the knowledge of the Commission; or

(b) in respect of an offence described in clause (1) (b) or (c) more than two years after the facts upon which the proceeding is based first come to the knowledge of the Commission.

Information containing more than one offence

(6) An information laid in respect of an offence under this Act may be for one or more offences under this Act or the related legislation, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

Trial by provincial judge

(7) The Commission or an agent of the Commission may, by notice to the clerk of the court having jurisdiction in respect of an offence under this Act, require that a provincial judge preside over the proceeding in respect of the offence.

Interpretation

(8) In this section,

"related legislation" has the meaning given to that expression by section 1 of the *Ontario Financial Services Commission Act*.

20. Section 33 of the Act, as amended by the Statutes of Ontario, 1997, chapter 19, section 15, 1997, chapter 28, sections 172 and 186 and 1999, chapter 12, Schedule I, section 6, is repealed and the following substituted:

Rules

33. The Commission may make rules,

(a) prescribing and establishing requirements, qualifications, terms and conditions for the granting or renewal of registrations;

(b) governing educational requirements and required courses and examinations;

(c) prescribing and establishing grounds upon which a registration may be revoked, suspended or not renewed;

(d) prescribing and establishing standards of practice for mortgage brokers, including requirements governing,

(i) the creation and maintenance of trust accounts, the money that must be held in trust and the terms and conditions under which money is held in trust,

(ii) the books, accounts and records that must be kept by mortgage brokers and the form and content of the books, accounts and records,

(iii) the information that must be furnished to the Commission, the form and content of the information and the manner in which the veracity of the information is to be proven, and

(iv) the prevention or regulation of conflicts of interest;

(e) prescribing the form and content of information to be provided to investors and requirements for a prospectus;

(f) prescribing the grounds upon which a certificate of acceptance of a prospectus may be refused, revoked, suspended or not renewed;

(g) prescribing time periods for the purposes of this Act or the rules;

(h) requiring or respecting the media, format, preparation, form, content, execution, certification, dissemination and other use, filing and review of all documents required under or governed by this Act or the rules and all documents determined by the rules to be ancillary to the documents;

(i) varying this Act to permit or require the use of an electronic or computer-based system for the filing, delivery or deposit of,

(i) documents or information required under or governed by this Act or the rules, and

(ii) documents determined by the rules to be ancillary to documents required under or governed by this Act or the rules;

(j) establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery or deposit of documents or information;

(k) prescribing the circumstances in which a person is deemed to have signed or certified a document on an electronic or computer-based system for any purpose of this Act;

(l) prescribing exemptions to rules made under any of clauses (a), (b), (c), (d), (e) and (f), the conditions that must be satisfied for the exemption to apply, the class or classes of persons to whom the exemption applies or the circumstances in which the exemption applies.

Regulations

33.1 The Lieutenant Governor in Council may make regulations respecting any matter in respect of which the Commission may make rules under section 33.

Collection of amounts

33.2 In addition to any other remedy the Commission may have to enforce the payment of any amount owed by a mortgage broker to the Commission, the Commission may revoke the registration of the broker under this Act until the broker pays all amounts owed to the Commission.

21. Subsection 34 (2) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 19, section 15, is repealed and the following substituted:

Electronic forms

(2) The Commission may approve electronic forms for any purpose under this Act.

SCHEDULE H

AMENDMENTS TO THE MOTOR VEHICLE ACCIDENTS CLAIMS ACT

1. (1) Subsection 1 (1) of the *Motor Vehicle Accident Claims Act*, as amended by the Statutes of Ontario, 1997, chapter 28, section 187, is further amended by adding the following definition:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) The definition of "Director" in subsection 1 (1) of the Act is repealed.

(3) The definition of "Minister" in subsection 1 (1) of the Act is repealed and the following substituted:

"Minister" means the Minister of Finance or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*. ("ministre")

(4) The definition of "Superintendent" in subsection 1 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 187, is repealed and the following substituted:

"Superintendent" means the Superintendent of Insurance appointed under section 10 of the *Ontario Financial Services Commission Act*. ("surintendant")

2. The Act is amended by adding the following section:

Agreement with Commission

1.1 The Minister may enter into an agreement with the Commission governing the administration and enforcement of this Act by the Commission on behalf of the Minister.

3. Subsection 2 (2) of the Act is repealed and the following substituted:

Fee

(2) On the issue or renewal of a driver's licence, the person to whom the licence is issued shall pay a fee to the Fund.

Advice of Commission

(2.1) The Minister may seek the recommendation of the Commission on the amount of the fee that, if charged under subsection (2), would give the Minister sufficient money to satisfy his or her obligations under this Act.

Amount of fee

(2.2) The Lieutenant Governor in Council may make regulations prescribing the amount of the fee payable under subsection (2).

4. The following provisions of the Act are amended by striking out "Director" wherever it appears and substituting "Superintendent" in each case:

1. **Subsection 4 (1), as amended by the Statutes of Ontario, 1997, chapter 19, section 16 and 1997, chapter 28, section 188.**
2. **Subsection 4 (8).**
3. **Subsection 4 (9), as enacted by the Statutes of Ontario, 1993, chapter 10, section 54.**
4. **Subsection 10 (3), as enacted by the Statutes of Ontario, 1993, chapter 10, section 54.**
5. **Subsection 11 (3).**
6. **Subsections 28 (1) and (2), as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 189.**

5. Subsection 6 (1) of the Act is repealed and the following substituted:

No-fault benefits

(1) A person who has recourse against the Fund for no-fault benefits under section 268 of the *Insurance Act* may make application for payment of the benefits out of the Fund.

Form

(1.1) An application under subsection (1) must be in a form approved by the Superintendent.

6. Subsection 7 (1) of the Act, as amended by the Statutes of Ontario, 1993, chapter 27, Schedule, is amended by striking out "in the form prescribed by the

Lieutenant Governor in Council" and substituting "in the form approved by the Superintendent".

7. Subsection 9 (2) of the Act is amended by striking out "Director" and substituting "Commission".

SCHEDULE I

AMENDMENTS TO THE PENSION BENEFITS ACT

1. The *Pension Benefits Act* is amended by striking out "Ontario Court (General Division)" wherever it occurs and substituting in each case "Superior Court of Justice".

2. (1) The definition of "additional voluntary contribution" in section 1 of the Act is repealed and the following substituted:

"additional voluntary contribution" means a contribution to a pension fund by a member of the pension plan beyond any amount that the member is required to contribute, but does not include an optional contribution or a contribution in relation to which the employer is required to make a concurrent additional contribution to the pension fund. ("cotisation facultative supplémentaire")

(2) The definition of "Commission" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 190, is repealed and the following substituted:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(3) The definition of "designated province" in section 1 of the Act is amended by striking out "that is prescribed by the regulations as" and substituting "that is designated in the rules as".

(4) The definition of "Minister" in section 1 of the Act is repealed and the following substituted:

"Minister" means the Minister of Finance or such other member of the Executive Council to whom the administration of this Act may be assigned under the *Executive Council Act*.("ministre")

(5) Section 1 of the Act is amended by adding the following definitions:

"optional benefit" means a prescribed benefit determined with reference to and provided by optional contributions; ("prestation optionnelle") "optional contribution" means a contribution to the pension fund of a pension plan that provides defined benefits, by or on behalf of a member, beyond any amount that the member is required to contribute, where the contribution,

(a) may be varied in an amount at the election of the member, subject to the terms of the pension plan, and

(b) will, under the terms of the pension plan, be applied at termination of employment to provide only optional benefits; ("cotisation optionnelle")

"rules" means, unless the contrary intention appears, the rules made by the Commission under section 114.1.("règles")

(6) The definition of "Superintendent" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 190, is repealed and the following substituted:

"Superintendent" means the Superintendent of Pensions appointed under section 10 of the *Ontario Financial Services Commission Act*. ("surintendant")

(7) The definition of "Tribunal" in section 1 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 190, is repealed and the following substituted:

"Tribunal" means the Pension Tribunal established under section 92. ("Tribunal")

(8) Section 1 of the Act is amended by adding the following subsection:

Interpretation

(2) A reference in this Act to the rules shall be deemed to include a reference to the regulations authorized under clause 115 (1) (z).

3. Section 5 of the Act is amended by striking out "this Act and the regulations" wherever it occurs and substituting in each case "this Act, the regulations and the rules".

4. Subsection 6 (2) of the Act is repealed and the following substituted:

Application of subs. (1)

(2) Subsection (1) does not apply to prevent administration during the period of time specified in the rules that begins the day after the day the pension plan is established.

5. Subsection 8 (1) of the Act, as amended by the Statutes of Ontario, 1999, chapter 15, section 1, is further amended by striking out "or" at the end of clause (f), by adding "or" at the end of clause (g) and by adding the following clause:

(h) such other person or body as may be specified in the rules.

6. (1) Subsection 9 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 15, section 2, is amended by striking out "Within the prescribed period of time" at the beginning and substituting "Within the period of time specified in the rules".

(2) Subsection 9 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 191, is further amended by striking out the portion before clause (a) and substituting the following:

Requirements for registration

(2) An application for registration shall be made by paying the fee prescribed by the rules made under the *Ontario Financial Services Commission Act* and filing,

. . . . .

(3) Clause 9 (2) (e.1) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 191, is amended by striking out "this Act and regulations" and substituting "this Act, the regulations and the rules".

(4) Clause 9 (2) (f) of the Act is repealed and the following substituted:

(f) any other document specified in the rules.

7. (1) Paragraph 12 of subsection 10 (1) of the Act is amended by striking out "this Act and the regulations" at the end and substituting "this Act, the regulations and the rules".

(2) Paragraph 15 of subsection 10 (1) of the Act is amended by striking out "Any other prescribed information" at the beginning and substituting "Any other information specified in the rules and".

8. (1) Subsection 12 (1) of the Act is repealed and the following substituted:

Application for registration of amendment

(1) The administrator of a pension plan shall apply to the Superintendent for registration of an amendment to the plan within the period of time specified in the rules that begins the day after the day on which the plan is amended.

(2) Subsection 12 (2) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 192, is repealed and the following substituted:

Requirements for registration

(2) An application for registration of an amendment shall be made by paying the fee prescribed by the rules made under the *Ontario Financial Services Commission Act* and filing,

(a) a certified copy of the amending document;

(b) certified copies of any other document specified in the rules;

(c) a certification in a form approved by the Superintendent and signed by the administrator of the pension plan in which the administrator attests that the amendment complies with this Act, the regulations and the rules; and

(d) any other information specified in the rules.

9. Section 15 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 194, is repealed and the following substituted:

Acknowledgement of application for registration

15. If the Superintendent receives an application for registration of a pension plan that complies with section 9, he or she shall issue an acknowledgement of the application for registration within the period of time specified in the rules that begins the day after the day the Superintendent receives the application.

10. (1) Clauses 18 (1) (a), (b), (c), (d) and (e) of the Act are amended by striking out "this Act and the regulations" wherever it occurs and substituting in each case "this Act, the regulations and the rules".

(2) Subsection 18 (5) of the Act is amended by striking out "this Act and the regulations" at the end and substituting "this Act, the regulations and the rules".

11. (1) Subsection 19 (1) of the Act is amended by striking out "this Act and the regulations" at the end and substituting "this Act, the regulations and the rules".

(2) Subsection 19 (2) of the Act is amended by striking out "this Act and the regulations" at the end and substituting "this Act, the regulations and the rules".

(3) Clause 19 (3) (b) of the Act is amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the rules".

(4) Subsection 19 (4) of the Act is amended by striking out "this Act and the regulations" at the end and substituting "this Act, the regulations and the rules".

12. (1) Subsection 20 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 195, is amended by striking out "the filing fee established by the Minister" at the end and substituting "the filing fee prescribed by the rules made under the *Ontario Financial Services Commission Act*".

(2) Subsection 20 (2) of the Act is repealed and the following substituted:

Additional reports

(2) The administrator of a pension plan shall file additional reports containing the information specified in the rules at the times specified in the rules.

13. Subsection 22 (6) of the Act is repealed and the following substituted:

Trustee of pension fund

(6) No person other than a person specified in the rules shall be a trustee of a pension fund.

14. Section 23 of the Act is amended by striking out "this Act or the regulations" at the end and substituting "this Act, the regulations or the rules".

15. (1) Clause 25 (1) (c) of the Act is repealed and the following substituted:

(c) such other information as may be specified in the rules.

(2) Subsection 25 (2) of the Act is repealed and the following substituted:

Time

(2) The administrator shall provide the information mentioned in subsection (1),

(a) to each person who becomes a member within the period of time specified in the rules that begins the day after the day on which the pension plan is established;

(b) to a person who is likely to become eligible to become a member of the pension plan, within the period of time specified in the rules that ends the day before the day on which the person is likely to become eligible;

(c) to each person who becomes eligible to become a member of the pension plan upon becoming employed by the employer, within the period of time specified in the rules that begins the day after the day on which the person becomes so employed.

16. (1) Subsection 26 (2) of the Act is repealed and the following substituted:

Registration

(2) If the Superintendent has required the administrator to transmit notices under subsection (1), the Superintendent shall not register an amendment mentioned in that subsection before the expiration of the period of time specified in the rules that begins the day after the date certified to the Superintendent under that subsection, but after the expiration of that period of time the Superintendent may register the amendment with such changes as are requested in writing by the administrator.

(2) Subsection 26 (3) of the Act is amended by striking out "Within the prescribed period of time after" at the beginning and substituting "Within the period of time that is specified in the rules that begins the day after the day".

17. Section 27 of the Act is amended by striking out "the prescribed information" and substituting "the information specified in the rules".

18. Subsection 28 (1) of the Act is amended by striking out "the prescribed information" and substituting "the information specified in the rules".

19. (1) Subsection 29 (1) of the Act, as amended by the Statutes of Ontario, 1999, chapter 6, section 53 and 1999, chapter 15, section 3, is further amended by striking out the portion before clause (a) and substituting the following:

Inspection of administrator's documents

(1) On written request, the administrator of a pension plan shall make available any document or information in respect of the pension plan and pension fund that is specified in the rules, for inspection without charge by,

. . . . .

(2) Clause 29 (1) (j) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 3, is repealed and the following substituted:

(j) such other persons as may be specified in the rules.

(3) Subsection 29 (2) of the Act is amended by striking out the portion before clause (a) and substituting the following:

Place of inspection

(2) The administrator shall make any document or information referred to in subsection (1) available,

. . . . .

(4) Subsection 29 (3) of the Act is amended by striking out "the prescribed documents and information" at the end and substituting "any document or information referred to in subsection (1).

(5) Subsection 29 (4) of the Act is amended by striking out "the prescribed documents or information" and substituting "the documents or information referred to in subsection (1)".

20. (1) Subsection 30 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 15, section 4, is repealed and the following substituted:

Inspection of filed documents

30. (1) Only the administrator of a pension plan and the persons described in subsection 29 (1) are entitled to inspect the following documents at the office of the Commission:

1. The filed documents that create and suport the pension plan and the pension fund.

2. Such other documents specified in the rules as are filed with the Commission in respect of the pension plan and the pension fund.

Time of inspection

(1.1) An inspection under subsection (1) shall take place during the business hours of the office of the Commission.

(2) Subsection 30 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 4, is repealed and the following substituted:

Copies of documents

(2) The Commission shall give a person a copy of any document that the person is entitled to inspect under subsection (1) if the person pays the applicable fee prescribed by the rules made under the *Ontario Financial Services Commission Act.*

21. (1) Subsection 42 (4) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 197, is further amended by striking out "within the prescribed period of time" and substituting "within the period of time specified in the rules".

(2) Subsection 42 (5) of the Act is amended by striking out "within the prescribed period of time after delivery of the direction" and substituting "within the period of time after delivery of the direction that is specified in the rules".

22. Subsection 46 (2) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 15, section 7, is repealed and the following substituted:

Time

(2) The waiver is not effective unless the form or the certified copy of the domestic contract is delivered to the administrator or the insurance company, as the case may be, before the expiry of the period of time that is specified in the rules and that ends the day before the day the payment of pension benefits begins.

23. Subsection 48 (4) of the Act, as amended by the Statutes of Ontario, 1999, chapter 6, section 53, is further amended by striking out "within the prescribed period of time" and substituting "within the period of time specified in the rules".

24. Clause 52 (2) (c) of the Act is repealed and the following substituted:

(c) use any method of calculation or valuation as may be specified in the rules.

25. Subsection 56 (2) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 15, section 10, is repealed and the following substituted:

Notice

(2) If a contribution is not paid when due, the administrator and the agent, if any, shall notify the Superintendent in the manner and within the time specified in the rules.

26. (1) Subsection 56.1 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 10, is repealed and the following substituted:

Duty to pension fund trustees

(1) The administrator shall give the persons who are trustees of a pension fund a summary of the contributions required to be made in respect of the pension plan, and shall do so in the manner and within the time specified in the rules.

(2) Subsection 56.1 (2) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 10, is amended by striking out "in the prescribed manner and within the prescribed period" and substituting "in the manner and within the time specified in the rules".

(3) Subsection 56.1 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 10, is amended by striking out "in the prescribed manner and within the prescribed period" and substituting "in the manner and within the time specified in the rules".

27. Subsection 58 (2) of the Act is repealed and the following substituted:

Interest

(2) Interest on contributions shall be calculated and credited at a rate not less than the rate specified in the rules and in accordance with the requirements specified in the rules.

28. Section 60 of the Act is amended by striking out "in the prescribed amount" at the end and substituting "in the amount specified in the rules".

29. Section 62 of the Act is amended by striking out "the criteria set out in this Act and prescribed by the regulations" at the end and substituting "the criteria set out in this Act and the regulations and any changes to those criteria that may be adopted by the rules".

30. (1) Subsection 63 (3) of the Act is amended by striking out "within the prescribed period of time" and substituting "within the period of time specified in the rules".

(2) Subsection 63 (4) of the Act is amended by striking out "within the prescribed period of time" and substituting "within the period of time specified in the rules".

31. Subsection 68 (4) of the Act is amended by striking out "the information prescribed by the regulations" at the end and substituting "the information specified in the rules".

32. (1) Clause 70 (1) (d) of the Act is repealed and the following substituted:

(d) such other information as may be specified in the rules.

(2) Subsection 70 (3) of the Act is amended by striking out "any other payment that is prescribed or" and substituting "any other payment that is specified in the rules or".

(3) Subsection 70 (5) of the Act is amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the rules".

33. (1) Subsection 72 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 15, section 14, is amended,

(a) by striking out "Within the prescribed period of time" at the beginning and substituting "Within the period of time specified in the rules"; and

(b) by striking out "such other information as may be prescribed" at the end and substituting "such other information as may be specified in the rules".

(2) Subsection 72 (2) of the Act, as amended by the Statutes of Ontario, 1999, chapter 15, section 14, is further amended by striking out "within the prescribed period of time" and substituting "within the period of time specified in the rules".

(3) Subsection 72 (3) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 14, is amended by striking out "Within the prescribed period of time" at the beginning and substituting "Within the period of time specified in the rules".

34. Subsection 75 (2) of the Act is repealed and the following substituted:

Payment

(2) The employer shall pay the money due under subsection (1) in the manner and at the times specified in the rules.

35. Section 76 of the Act is amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the rules".

36. Subsection 86 (2) of the Act is amended by striking out "at the rate and in the manner prescribed by the regulations" and substituting "at the rate and in the manner specified in the rules".

37. (1) Clause 87 (2) (a) of the Act is amended by striking out "this Act, the regulations or the pension plan" at the end and substituting "this Act, the regulations, the rules or the pension plan".

(2) Clause 87 (2) (b) of the Act is amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the rules".

(3) Clause 87 (2) (c) of the Act is amended by striking out "this Act or the regulations" at the end and substituting "this Act, the regulations or the rules".

38. (1) Clause 88 (2) (a) of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the rules".

(2) Clause 88 (2) (b) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 15, section 15, is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the rules".

(3) Clause 88 (2) (c) of the Act is amended by striking out "this Act, the regulations or the pension plan" at the end and substituting "this Act, the regulations, the rules or the pension plan".

39. (1) Clause 89 (2) (e) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 208, is further amended by striking out "Act or regulation" and substituting "Act, regulation or rule".

(2) Subsection 89 (5) of the Act is amended by striking out "Where the Superintendent proposes to make an order" at the beginning and substituting "Where the Superintendent proposes to make or to refuse to make an order".

(3) Subsections 89 (8) and (9) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 208, are repealed and the following substituted:

Hearing

(8) Where the person requires a hearing by the Tribunal in accordance with subsection (6), the chair of the Tribunal shall assign a panel to sit on the hearing and determine the matters in issue.

Panel

(9) A panel may consist of one or more members.

Eligibility to sit on hearing

(10) A member of the Tribunal who is also a member of the Commission and who performs a duty or exercises a power in respect of a matter in an investigation under Part IX of the *Ontario Financial Services Commission Act* shall not sit on a hearing by the Tribunal that deals with the matter, except with the written consent of the parties to the proceeding.

(4) Section 89 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 208, is further amended by adding the following subsection:

Evidence by affidavit

(12) In a hearing under this section, the Tribunal may require or permit persons to give evidence by affidavit on such terms and conditions as the Tribunal considers appropriate.

40. The Act is amended by adding the following sections:

Witnesses outside jurisdiction

90. (1) On the application of the Tribunal, the Superior Court of Justice may make an order,

(a) appointing a person to take the evidence of, and to require the production of documents and other things by, a witness outside Ontario for use in a hearing under section 89; and

(b) providing for the issuance of a letter of request directed to the judicial or regulatory authorities of the jurisdiction in which the witness is to be found, requesting the issuance of such process as is necessary to compel the witness to attend before the appointed person to give evidence on oath or otherwise and to produce documents, information and other things that are relevant to the subject-matter of the proceeding.

Practice and procedure

(2) The practice and procedure in connection with the making of the appointment, the taking of evidence by the appointed person, the production to the appointed person of documents and other things and the certifying and return of the evidence, documents and other things shall, as far as possible, be the same as the practice and procedure that govern similar matters in civil proceedings in the Superior Court of Justice.

Admissibility of evidence

(3) The making of an order under subsection (1) does not determine whether evidence given or a document, information or thing produced pursuant to the order is admissible at a hearing under section 89.

Orders

90.1 (1) The Tribunal has exclusive jurisdiction to determine all questions of fact or law that arise in a hearing and shall do so by order.

Same

(2) At or after a hearing under section 89, the Tribunal by order may direct the Superintendent to carry out or to refrain from carrying out the proposal and to take such action as the Tribunal considers the Superintendent ought to take in accordance with this Act, the regulations and the rules, and for such purposes, the Tribunal may substitute its opinion for that of the Superintendent.

Policies of Commission

(3) In making an order, the Tribunal shall consider any relevant policy made by the Commission under the *Ontario Financial Services Commission Act*.

Conditions

(4) The Tribunal may make an order subject to the conditions that are set out in the order.

Interim orders

(5) The Tribunal may make interim orders before making the final order in a matter before it.

Effective date of order

(6) An order of the Tribunal takes effect on the date provided in the order or, if no date is provided in the order, immediately.

Costs

90.2 (1) The Tribunal may order that a party to a hearing under section 89 pay any of the following costs:

1. The costs of another party to the hearing.
2. The costs of or related to the hearing that are incurred by or on behalf of the Commission.

Same

(2) For the purposes of subsection (1), the costs incurred by or on behalf of the Commission that the Tribunal may order the party to pay include, but are not limited to, the following:

1. Costs for time spent by the Tribunal, the Superintendent and other Commission staff, and persons engaged by the Commission in and in relation to the hearing.

2. Costs of legal services provided to the Tribunal in relation to the hearing.

3. Costs of other services provided by persons engaged by the Tribunal in relation to the hearing.

4. Costs of matters preliminary to the hearing.

5. Fees and disbursements paid to or on account of a witness.

Same

(3) The Tribunal shall determine the amount of an order for costs in accordance with the rules of the Tribunal made under section 92.2.

Revocation or variation of decision

90.3 (1) The Tribunal may, by order, revoke or vary a decision of the Tribunal on such terms and conditions as the Tribunal considers appropriate, on the application of the Superintendent or a person directly affected by the decision, if in the Tribunal's opinion the order will not be prejudicial to the public interest.

Terms and conditions

(2) The Tribunal may impose terms and conditions on the order.

41. Section 91 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 210, is repealed and the following substituted:

Appeal to court

91. (1) A party to a proceeding before the Tribunal under section 89 may appeal to the Divisional Court from a decision of the Tribunal,

(i)within 30 days after the day the Tribunal issues the reasons for the final decision; or

(b) if the Tribunal states that it does not intend to issue reasons, within 30 days after the day the Tribunal makes the final decision.

Certification to court

(2) The Secretary of the Commission shall, upon payment of the fee prescribed by the rules made under the *Ontario Financial Services Commission Act*, certify to the

Divisional Court the record of the proceeding before the Tribunal that is required to be compiled under the *Statutory Powers Procedure Act*.

Powers of court on appeal

(3) On the appeal, the court may, by order, direct the Superintendent to make such decision or to do such other act as the Superintendent is authorized and empowered to do under this Act, the regulations and the rules and as the court considers appropriate, having regard to the Act, regulations and rules and the material and submissions before the court, and the Superintendent shall make the decision or do the act in accordance with the court's direction.

Further decision

(4) Despite an order of the court on an appeal, the Superintendent may make a further proposal with respect to the same matter upon new material or if there is a significant change in the circumstances, and the further proposal is subject to this Act.

Costs to the Commission

91.1 Nothing shall preclude a court from ordering costs payable to the Superintendent or to the Commission and, if a court orders costs payable to the Commission, the court may award a counsel fee to the Commission even if the Commission was represented by its staff.

42. The Act is amended by adding the following sections:

PENSION TRIBUNAL

Tribunal established

92. (1) There is hereby established a tribunal to be known in English as the Pension Tribunal and in French as Tribunal des pensions.

Composition of Tribunal

(2) The Tribunal shall consist of not fewer than six and not more than 15 members and three of those members shall be members of the Commission.

Appointment of members

(3) The members of the Tribunal shall be appointed by the Lieutenant Governor in Council.

Term

(4) The members of the Tribunal shall be appointed for a term set out in the appointment and may be reappointed at the end of the term.

Chair and vice-chairs

(5) The Lieutenant Governor in Council shall designate one of the members as the chair of the Tribunal and may designate one or more members as vice-chairs.

Duty of chair

(6) The chair shall have general supervision and direction over the conduct of the affairs of the Tribunal.

Remuneration

(7) The members of the Tribunal shall receive such remuneration, and shall be reimbursed for such expenses, as may be determined by the Commission.

Transition, members of the Financial Services Tribunal

(8) The members of the Financial Services Tribunal, established under section 6 of the *Financial Services Commission of Ontario Act, 1997*, who are holding office immediately before section 3 of the *Ontario Financial Services Commission Act* comes into force shall be members of the Tribunal until the Lieutenant Governor in Council appoints their successors under this section.

Transition, matters before Financial Services Tribunal

(9) All hearings under this Act pending before the Financial Services Tribunal immediately before section 3 of the *Ontario Financial Services Commission Act* comes into force shall be continued before the Pension Tribunal.

Same

(10) Despite subsection (9), if the Financial Services Tribunal has begun hearing a matter under section 89, any member sitting with respect to the matter is seized with the matter until its final disposition.

Transition, matters before Pension Commission of Ontario

(11) Any hearing or proceeding that, immediately before the day section 3 of the *Ontario Financial Services Commission Act* comes into force, is pending before the Pension Commission of Ontario by virtue of section 213 of the *Financial Services Commission of Ontario Act, 1997* shall continue before that Commission and that Commission continues to exist for the sole purpose of concluding and disposing of those hearings and proceedings.

Professional assistance

92.1 The Tribunal may engage persons to provide professional, technical or other assistance to the Tribunal.

Procedural rules

92.2 The Tribunal may make rules for the practice and procedure to be observed in matters before it.

Evidence re information obtained in performing duties

92.3 In a civil proceeding, a proceeding before the Tribunal or a proceeding before any other tribunal,

(a) no person who is or was a member of the Tribunal shall be required to give evidence with respect to information obtained in the performance of the person's duties or the exercise of the person's powers as a member of the Tribunal; and

(b) except with the consent of the chair or a vice-chair of the Tribunal, no person who is or was engaged by the Tribunal shall, or shall be required to, give evidence with respect to information obtained in the performance of the person's duties or the exercise of the person's powers as such.

Protection from liability

92.4 (1) A member of the Tribunal is not liable for any act, omission, obligation or liability of the Tribunal or of a person engaged by it.

Same

(2) The Tribunal is not liable, and a member of the Tribunal or a person engaged by it is not liable,

(a) for any act done in good faith in the performance or intended performance of any duty or the exercise or intended exercise of any power under this Act, the regulations or the rules; or

(b) for any neglect, default or omission in the performance or exercise in good faith of such duty or power.

Immunity

(3) No action or other proceeding shall be commenced against the Tribunal or any member of the Tribunal or person engaged by it in respect of anything for which that person would not be liable by reason of subsection (1) or (2).

Liability of the Crown

(4) Despite subsections 5 (2) and (4) of the *Proceedings Against the Crown Act*, subsections (2) and (3) do not relieve the Crown of any liability to which it would otherwise be subject, and the Crown is liable under that Act as if subsections (2) and (3) had not been enacted.

Non-application of *Public Service Act* and Public Service Pension Plan

92.5 (1) The *Public Service Act* and the Public Service Pension Plan established under the *Public Service Pension Act* do not apply to the members of the Tribunal, subject to subsection (2).

Exception, Public Service Pension Plan

(2) The Public Service Pension Plan applies to such members of the Tribunal as the Lieutenant Governor in Council specifies by order.

Accountability of Tribunal

92.6 (1) The Tribunal shall make a report to the Commission on the affairs of the Tribunal after the end of the Commission's fiscal year and the report shall be included in the annual report of the Commission to the Minister under the *Ontario Financial Services Commission Act*.

Information to Minister

(2) The Tribunal shall submit to the Minister all information relating to the affairs of the Tribunal that the Minister requires.

43. The Act is amended by striking out the heading immediately before section 93 and substituting the following:

ONTARIO FINANCIAL SERVICES COMMISSION

44. (1) Section 93 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 16, is amended,

(a) by striking out "prescribed" wherever it occurs and substituting in each case "specified"; and

(b) by striking out "this Act and the regulations" wherever it occurs and substituting in each case "this Act, the regulations and the rules".

(2) Subsection 93 (1) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 16, is amended by adding the following definition:

"specified jurisdiction" means a jurisdiction specified in the rules. ("autorité législative précisée")

(3) Subsection 93 (7) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 16, is amended by adding "or in a manner determined by the Commission" at the end.

(4) Subsection 93 (8) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 16, is amended by striking out "in *The Ontario Gazette*".

(5) Subsection 93 (9) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 16, is amended by striking out "The Superintendent" at the beginning and substituting "The Commission".

45. (1) Subsection 95 (1) of the Act is amended by striking out "subject to the approval of the Lieutenant Governor in Council" in the portion before clause (a).

(2) Clause 95 (2) (a) of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 17, is amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the rules".

46. Subsection 98 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 215, is further amended by striking out "this Act and the regulations" and substituting "this Act, the regulations and the rules".

47. Subsection 105 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 218, is amended by striking out "under this Act or the regulations" and substituting "under this Act, the regulations or the rules".

48. (1) Paragraph 1 of subsection 106 (2) of the Act is amended by striking out "this Act and the regulations" at the end and substituting "this Act, the regulations and the rules".

(2) Paragraphs 3 and 4 of subsection 106 (2) of the Act are amended by striking out "this Act or the regulations" at the end of each paragraph and substituting in each case "this Act, the regulations or the rules".

(3) Subsection 106 (10) of the Act is repealed.

49. Section 106.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 15, section 19, is amended by striking out "by this Act or the regulations" and substituting "by this Act, the regulations or the rules".

50. Section 108 of the Act is repealed.

51. Subsection 109 (1) of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the rules".

52. Section 111 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 221, is amended by striking out "Where a provision of this Act or the regulations" at the beginning and substituting "Where a provision of this Act, the regulations or the rules".

53. (1) Subsection 112 (1) of the Act is amended by striking out "Any notice, order or other document under this Act or the regulations" at the beginning and substituting "Any notice, order or other document under this Act, the regulations or the rules".

(2) Subsection 112 (3) of the Act is amended by striking out "this Act or the regulations" and substituting "this Act, the regulations or the rules".

54. Section 113 of the Act is repealed and the following substituted:

Time for actions

113. An administrator of a pension plan who is required to take an action under this Act, the regulations or the rules shall take the action within the period of time specified in the rules.

55. Section 113.1 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 28, section 223, is repealed.

56. Section 114 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 222, is further amended by striking out "*Financial Services Commission of Ontario Act, 1997*" and substituting "*Ontario Financial Services Commission Act*".

57. The Act is amended by adding the following section:

Commission rules

114.1 The Commission may make rules,

(a) specifying any matter that is referred to in this Act as specified in or by the rules, done in accordance with the rules or provided by or required by the rules;

(b) designating a province or territory of Canada for the purposes of the definition of "designated province" in section 1;

(c) specifying the time within which any document or information that is required to be given, transmitted, filed or served under this Act shall be given, transmitted, filed or served;

(d) requiring reports to be submitted to the Superintendent and respecting the contents and the method of preparation of the reports and the persons or classes of persons by whom the reports must be prepared;

(e) respecting procedures that shall govern the appointments of members of pension committees;

(f) respecting procedures that shall govern the establishment of advisory committees and the appointments of members of advisory committees;

(g) specifying the rate or the method of determining the rate at which an employer shall pay money due from the employer under this Act on the winding up of a pension plan, and specifying the manner of payment and to whom the payments shall be made;

(h) if a regulation is made under clause 115 (1) (l) incorporating federal regulations relating to the investing of money from pension funds made under the *Pension Benefits Standards Act, 1985* (Canada) or a successor of that legislation, adopting changes to those regulations for the purposes of their application to the investing of money from pension funds regulated under this Act;

(i) specifying the rate of interest and the method of calculating interest payable under this Act;

(j) specifying jurisdictions for the purposes of section 93;

(k) requiring the administrator of a pension plan to keep such records as may be specified in the rules and specifying the period of time for which such records shall be retained by the administrator;

(l) requiring the audit of pension plans, pension funds or classes of pension plans and pension funds and specifying the persons or classes of persons who may perform the audits and the manner of performing the audits;

(m) respecting the manner of determining the portion of a pension benefit, pension, deferred pension or ancillary benefit that is attributable to employment before

January 1, 1988 or that is attributable to employment on or after January 1, 1988;

(n) specifying requirements with respect to the provision of investment options to members by pension plans that offer such options;

(o) specifying the period of time within which a person who is required to take any action under this Act shall take the action;

(p) varying the application of this Act to permit or require the use of an electronic or computer-based system for the filing, delivery, or deposit or issuing of,

(i) documents or information required under or governed by this Act, the regulations or rules, and

(ii) documents determined by the rules to be ancillary to documents required under or governed by this Act, the regulations or rules;

(q) varying the application of this Act to permit or require methods of filing, delivery, deposit, inspection, storage, copying, recording or service to or by the Commission, the Superintendent, administrators, trustees of pension funds, employers, members or others of documents, information, notices, books, records, things, reports, orders, authorizations or other communications required under or governed by Ontario financial services law as that term is defined in subsection 1 (1) of the *Ontario Financial Services Commission Act*;

(r) establishing requirements for and procedures in respect of the use of an electronic or computer-based system for the filing, delivery, deposit, inspection, storage, copying, recording or service of documents or information for any purpose under this Act;

(s) specifying the circumstances in which persons or companies shall be deemed to have signed or certified documents on an electronic or computer-based system for any purpose under this Act.

58. (1) Clause 115 (1) (b) of the Act is repealed.

(2) Clause 115 (1) (c) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 224, is repealed.

(3) Clauses 115 (1) (f), (g), (k), (n), (p), (r), (s) and (t) of the Act are repealed.

(4) Subsection 115 (1) of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 224, is amended by adding the following clauses:

(y) prescribing requirements for optional contributions, optional benefits or pension plans that provide optional benefits, and exempting optional contributions or optional benefits from the application of this Act or the regulations or any provision thereof;

(z) respecting any matter in respect of which the Commission may make rules under section 114.1;

(z.1) respecting any matter advisable for carrying out the purposes of this Act.

SCHEDULE J

AMENDMENTS TO THE PREPAID HOSPITAL AND MEDICAL SERVICES ACT

1. (1) Section 1 of the *Prepaid Hospital and Medical Services Act*, as amended by the Statutes of Ontario, 1997, chapter 28, section 225, 1998, chapter 18, Schedule G, section 68 and 1999, chapter 12, Schedule I, section 7, is further amended by adding the following definition:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act.* ("Commission")

(2) The definition of "Superintendent" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 225, is repealed and the following substituted:

"Superintendent" means the Superintendent of Insurance appointed under section 10 of the *Ontario Financial Services Commission Act.* ("surintendant")

(3) The definition of "Tribunal" in section 1 of the Act, as enacted by the Statutes of Ontario 1997, chapter 28, section 225, is repealed.

2. Clause 5 (1) (a) of the Act is repealed and the following substituted:

(a) the fee prescribed under the *Ontario Financial Services Commission Act.*

3. Subsection 6 (1) of the Act is repealed and the following substituted:

Application for renewal of registration

(1) Every application for renewal of registration shall be made in writing to the Superintendent on or before the 21st day of March in each year and shall be accompanied by the fee prescribed under the *Ontario Financial Services Commission Act* and such information and material as the Superintendent may require.

4. Section 12 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 226, is repealed and the following substituted:

Appeal

12. An association that considers itself aggrieved by a decision of the Superintendent may appeal the decision to the Commission in accordance with the procedures set out in the *Insurance Act*.

5. The English version of section 14.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 12, Schedule I, section 7, is repealed and the following substituted:

Investigatory power

14.1 The Superintendent has the same powers in respect of registered associations as he or she has in respect of insurers under sections 29, 30, 31, 443 and 444 of the *Insurance Act*.

6. Section 18 of the Act is repealed and the following substituted:

Revocation of registration, non-payment

18. (1) In addition to any other remedy the Commission may have to enforce the payment of any amount owed by an association to the Commission, the Commission may revoke the registration of the association under this Act.

Restoration of registration

(2) The Commission may restore the registration of the association if it pays all amounts owed to the Commission.

Forms

18.1 The Superintendent may approve forms for any purpose of this Act, including electronic forms, and the forms may provide for such information to be furnished as the Superintendent may require.

7. Section 19 of the Act is amended by adding the following subsections:

Information containing more than one offence

(2) An information laid in respect of an offence under this Act may be for one or more offences under this Act or the related legislation, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

Trial by provincial judge

(3) The Commission or an agent of the Commission may, by notice to the clerk of the court having jurisdiction in respect of an offence under this Act, require that a provincial judge preside over the proceeding in respect of the offence.

Interpretation

(4) In this section,

"related legislation" has the meaning given to that expression by section 1 of the *Ontario Financial Services Commission Act.*

SCHEDULE K

AMENDMENTS TO THE REGISTERED INSURANCE BROKERS ACT

1. (1) Section 1 of the *Registered Insurance Brokers Act*, as amended by the Statutes of Ontario, 1997, chapter 28, section 227, is further amended by adding the following definition:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) The definition of "Minister" in section 1 of the Act is repealed and the following substituted:

"Minister" means the Minister of Finance or such other member of the Executive Council as may be assigned the administration of this Act under the *Executive Council Act*. ("ministre")

(3) Section 1 of the Act, as amended by the Statutes of Ontario, 1997, chapter 28, section 227, is further amended by adding the following definition:

"regulation" means a regulation made under this Act. ("règlement")

(4) The definition of "Superintendent" in section 1 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 227, is repealed.

2. Section 9 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 28, section 228, is repealed and the following substituted:

Commission

9. (1) The Commission shall be deemed to have an interest in the Corporation as the representative of all persons who may be served by registered insurance brokers.

Information

(2) The Corporation shall provide to the Commission within a reasonable time such information and financial statements with respect to the Corporation as the Commission may require.

3. Subsection 10 (2) of the Act is repealed and the following substituted:

Annual report, Commission

(2) The Commission shall make an annual examination of the affairs of the Corporation and report the findings of the examination to the Minister.

Tabling of reports in Assembly

(3) The Minister shall table the annual report of the Corporation and the report of the Commission in the Legislative Assembly if it is in session and, if not, at the next session by delivering the report to the Clerk.

4. (1) Clause 11 (1) (q.7) of the Act, as enacted by the Statutes of Ontario, 1997, chapter 19, section 21, is amended by striking out "Superintendent" and substituting "Commission".

(2) Clause 11 (2) (a) of the Act is amended by striking out "Superintendent" and substituting "Commission".

5. Clause 35 (k) of the Act is amended by striking out "Superintendent" and substituting "Commission".

SCHEDULE L

AMENDMENTS TO THE SECURITIES ACT

1. The *Securities Act* is amended by striking out "Ontario Court (General Division)" in the following provisions and substituting in each case "Superior Court of Justice":

1. **Subsection 13 (1), as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 358.**

2. **Subsection 105 (1).**

3. **Subsections 126 (1), as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 375.**

4. **Subsection 126 (5), as enacted by the Statutes of Ontario, 1994, chapter 11, section 375.**

5. **Subsection 128 (1), as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 375.**

6. **Subsection 129 (1), as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 375.**

7. **Subsections 135 (1), (2), (3), (4) and (5).**

2. (1) The definition of "Commission" in subsection 1 (1) of the Act is repealed and the following substituted:

"Commission" means the Commission continued under section 3 of the *Ontario Financial Services Commission Act*. ("Commission")

(2) The definition of "decision" in subsection 1 (1) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 350, is repealed and the following substituted:

“decision”, in relation to the Commission or a Director, means a decision, a direction, an order, a ruling or a requirement made or issued by the Commission or a Director, as the case may be, under a power or duty that is conferred by this Act or the regulations, including a power or duty conferred on the Commission by this Act or the regulations and exercised by another by virtue of an assignment of the power or duty under section 21 of the *Ontario Financial Services Commission Act*. (“décision”)

(3) The definition of “Director” in subsection 1 (1) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 350, is repealed and the following substituted:

“Director” means a person employed by the Commission in the position of a Director or a person employed by the Commission in a position designated by the Commission from time to time for the purposes of this definition. (“directeur”)

(4) The definition of “recognized self-regulatory organization” in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 350, is repealed and the following substituted:

“recognized self-regulatory organization” means an organization that is a self-regulatory organization for the purposes of this Act or the *Commodity Futures Act* and that is recognized by the Commission under the *Ontario Financial Services Commission Act*. (“organisme d’autoréglementation reconnu”)

(5) The definition of “self-regulatory organization” in subsection 1 (1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 350, is repealed and the following substituted:

“self-regulatory organization” means a person or company that represents market participants and is organized for the purpose of regulating the operations and standards of practice and business conduct of its members and their representatives with a view to promoting the protection of investors and the public interest. (“organisme d’autoréglementation”)

3. Section 3 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 10, section 37, is repealed.

4. Sections 3.1, 3.2, 3.3 and 3.4 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 10, section 37, are repealed.

5. Section 3.5 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 10, section 37 and amended by 1999, chapter 9, section 194, is repealed.

6. Sections 3.6 to 3.12 of the Act, as enacted by the Statutes of Ontario, 1997, chapter 10, section 37, are repealed.

7. Section 5 of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 353, is repealed.

8. Section 6 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 354 and amended by 1997, chapter 10, section 38, is repealed.

9. Section 7 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 354, is repealed.

10. (1) Subsection 8 (1) of the Act, as re-enacted by the Statutes of Ontario, 1999, chapter 9, section 195, is amended by striking out "Within 30 days after a decision of the Director" at the beginning and substituting "Within 30 days after a decision of the Director made under this Act or the regulations".

(2) Subsection 8 (2) of the Act is amended by striking out "a decision of the Director" and substituting "a decision of the Director made under this Act or the regulations".

11. Section 9 of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 356, is repealed.

12. Sections 11 to 16 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 358, are repealed.

13. Section 17 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 358 and amended by 1999, chapter 9, section 196, is repealed.

14. Section 18 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is repealed.

15. Subsection 20 (3) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is amended by striking out "such fees as may be prescribed by the regulations" and substituting "such fees as may be prescribed under the *Ontario Financial Services Commission Act*".

16. Section 21.1 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is repealed.

17. (1) Subsection 21.3 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 23, is amended by striking out "A recognized stock exchange, a recognized quotation and trade reporting system or a recognized self-regulatory organization" at the beginning and substituting "A recognized stock exchange or a recognized quotation and trade reporting system".

(2) Subsections 21.3 (2) and (3) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 23, are repealed and the following substituted:

Inclusion

(2) A council, committee or ancillary body that exercises the powers or assumes the responsibilities of a recognized stock exchange or a recognized quotation and trade reporting system is also included in,

(a) the recognition of the recognized stock exchange or recognized quotation and trade reporting system;

(b) any suspension, restriction or termination of the recognition of the recognized stock exchange or recognized quotation and trade reporting system; and

(c) any imposition of terms or conditions on the recognition of the recognized stock exchange or recognized quotation and trade reporting system.

Same

(3) The provisions of Ontario securities law that apply to recognized stock exchanges and recognized quotation and trade reporting systems also apply with necessary modifications to the council, committee or ancillary body.

18. Section 21.4 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 23, is repealed and the following substituted:

Voluntary surrender

21.4 On application by a recognized stock exchange, recognized quotation and trade reporting system or recognized clearing agency, the Commission may accept, and may impose terms and conditions that shall apply to the acceptance of, the voluntary surrender of the recognition of the stock exchange, quotation and trade reporting system or clearing agency, if the Commission is satisfied that the surrender of the recognition is not prejudicial to the public interest.

19. (1) Subsection 21.5 (1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is amended by striking out "or recognized self-regulatory organization".

(2) Subsections 21.5 (2) and (3) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, are repealed and the following substituted:

Same

(2) The Commission may assign to a recognized stock exchange any of the powers and duties of the Director under Part XI or the regulations related to that Part.

Revocation of assignment

(3) The Commission may at any time revoke, in whole or in part, an assignment of powers and duties made under this section.

20. Section 21.6 of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 23, is amended by striking out "recognized self-regulatory organization" wherever it occurs.

21. Subsection 21.7 (1) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 23, is amended,

(a) by striking out "The Executive Director" at the beginning and substituting "The Director"; and

(b) by striking out "recognized self-regulatory organization".

22. Subsection 21.8 (2) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is repealed.

23. (1) Subsection 21.9 (1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is amended by striking out "and every recognized self-regulatory organization".

(2) Subsection 21.9 (3) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is amended by striking out "and recognized self-regulatory organization".

(3) Subsection 21.9 (5) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 358, is amended by striking out "or recognized self-regulatory organization, as the case may be".

24. Section 29 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 361, is amended by striking out "by such fee as is prescribed by the regulations" and substituting "by such fee as is prescribed under the *Ontario Financial Services Commission Act*".

25. Clause 122 (1) (a) of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 373, is repealed and the following substituted:

(a) makes a statement in any material, evidence or information submitted under or in connection with the administration of Ontario securities law to the Commission, a Director or any person acting under the authority of the Commission that, in a material respect and at the time at which and in the light of the circumstances under which it is made, is misleading or untrue or does not state a fact that is required to be stated or that is necessary to make the statement not misleading.

26. Section 124 of the Act is repealed and the following substituted:

Information containing more than one offence

124. An information laid in respect of an offence under this Act may be for one or more offences under this Act or under an Act that is part of the related legislation as defined in subsection 1 (1) of the *Ontario Financial Services Commission Act*, and no information, summons, warrant, conviction or proceeding in any prosecution is objectionable or insufficient by reason of the fact that it relates to two or more offences under this Act or the related legislation.

27. Section 127.1 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 216, is repealed.

28. Section 139 of the Act is repealed.

29. Section 140 of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 376 and 1999, chapter 9, section 219, is repealed.

30. Section 141 of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 377, is repealed.

31. Subsection 142 (2) of the Act, as amended by the Statutes of Ontario, 1994, chapter 11, section 378, is further amended by striking out "Subsections 13 (1), (3) and (4) and sections 60, 122, 126, 129, 130, 131, 134, 135 and 139" at the beginning and substituting "Sections 60, 122, 126, 129, 130, 131, 134 and 135".

32. (1) Paragraph 43 of subsection 143 (1) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 33, section 8, is repealed.

(2) Subsections 143 (3) and (4) of the Act, as re-enacted by the Statutes of Ontario, 1997, chapter 19, section 23, are repealed.

(3) Subsections 143 (5) to (13) of the Act, as enacted by the Statutes of Ontario, 1994, chapter 33, section 8, are repealed.

33. Section 143.2 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 33, section 8 and amended by 1997, chapter 19, section 23, is repealed.

34. Sections 143. 3 to 143.8 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 33, section 8, are repealed.

35. Section 143.9 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 33, section 8 and amended by 1997, chapter 10, section 39, is repealed.

36. Sections 143.10 to 143.13 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 33, section 8, are repealed.

37. Section 144 of the Act, as re-enacted by the Statutes of Ontario, 1994, chapter 11, section 380, is repealed.

38. Section 149 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 381, is repealed.

39. Section 150 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 381, is repealed.

40. Section 151 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 381, is repealed and the following substituted:

Enforcement of Director's decision

151. (1) On filing with the Superior Court of Justice, a decision made by a Director pursuant to an assignment under subsection 21 (1) of the *Ontario Financial Services Commission Act* shall be deemed to be an order of the Superior Court of Justice and is enforceable as such.

Filing decision

(2) A decision of a Director may not be filed with the court under subsection (1) until the time permitted for an application to review the Director's decision pursuant to

subsection 8 (2) or pursuant to subsection 21 (6) of the *Ontario Financial Services Commission Act*, as the case may be, has expired or, if the decision has been appealed, the Commission has confirmed it.

41. Section 152 of the Act, as enacted by the Statutes of Ontario, 1994, chapter 11, section 381, is repealed.

42. Section 153 of the Act, as enacted by the Statutes of Ontario, 1999, chapter 9, section 221, is repealed.